

MARCH 26, 1932

The Weekly Magazine for
MARKETING EXECUTIVES

Marketing

**How Can We Build
Better Retailers?
Kraft '32 Sales Plan
Answers**

**Can You Sell High-
Priced Goods in a
Cut-Price Market? . .**

**Quaker State Offers
“Insured Perform-
ance” to Motorists . .**

TWENTY CENTS

\$152,074,734 PRIZE RACE INSIDE TRACK NOW AVAILABLE



Up in Vermont there is a big race going on for the \$152,074,734 being spent in Vermont retail stores. It is \$422 per capita, reports the census, which is well over the national average. And advertisers have learned that the natural approach to this goal is through the six Vermont Allied Dailies.

Outside metropolitan dailies hardly touch this profitable market. But the Vermont Allied Dailies, starting in the center, pave the inside track which the winners take.

From six major trading centers, Vermont Allied Dailies cover over 95% of Vermont. As the chief newspapers of the state, they are read by those who spend this more than 150 million dollars.

Let the Vermont Allied Dailies help you sell in Vermont.

For the most complete and authoritative data on Vermont as a market, consult "Uncovering a Varied Market and Covering It," by Prof. Albert W. Frey of Dartmouth College. Address any newspaper below and a copy will be sent.



VERMONT ALLIED DAILIES

BARRE TIMES
BURLINGTON FREE PRESS

BENNINGTON BANNER
RUTLAND HERALD

BRATTLEBORO REFORMER
ST. JOHNSBURY CALEDONIAN-RECORD

"The Last Word in Advertising"



POINT-OF-SALE DISPLAYS



From the five cent packet of chewing gum to the five thousand dollar automobile, from the baby carriage to the burial casket, Brunhoff Point of Sale Displays are the last links in the chain that unites the producer with the consumer.

Without them all other forms of advertising are incomplete. With them all other media become more productive.

This explains why the most successful merchandisers use Brunhoff Displays year after year, varying the artistic treatment to keep pace with changing styles and stepping up sales to keep abreast of production.

The displays illustrated here are all of glass, beautifully designed and brilliantly colored. But whether of glass, metal or wood or of a combination of materials, all Brunhoff Displays and Merchandising Devices are consistent in dignity and in beauty with the products or services they advertise.

Tell us your point of sale problem. Better still, send us a sample of your merchandise. Let us submit an original, unique and compelling suggestion.

**THE BRUNHOFF MANUFACTURING CO.
YORK AND FREEMAN
CINCINNATI, OHIO**

100 Sound Plans for Training Salesmen

SALES MANAGEMENT has just compiled a new bibliography of articles on hiring and training salesmen, which will be sent without charge to any subscriber. It covers feature and news articles published in *Sales Management* since January, 1930.

SIMILAR bibliographies, together with lists of sources of supply for various materials and services, have been compiled on the following subjects:

Sales Contests that Rang the Bell

“ “ “

Compensation Plans for Salesmen

“ “ “

Sales Films—How They Build Business

“ “ “

Efficient Sales Tools—Kits, Manuals, Portfolios, etc.

Address

Readers' Service Bureau

SALES MANAGEMENT

420 Lexington Avenue
New York City

Survey of Surveys

BY WALTER MANN

Back to Exams?

The scope of the graphic arts in industries may be too large for any one man to have a comprehensive knowledge of the entire field. In extent the combination of these industries ranks among the leaders of the industrial field as measured by the value of the products. . . . It might be well for American advertising firms to test by formal examinations the knowledge of the novices who are about to enter advertising and the progress of men who are already in the field."

So says Herbert T. Hovde, Ph.D., assistant professor of merchandising of

the Wharton School of Finance and Commerce of the University of Pennsylvania, in a recent article in the *Lantern* for February, 1932 (a reprint of which was sent by some admirer to the S. O. S. column for comment). S. O. S. gladly reviews Professor Hovde's ideas on the subject of knowledge-checking by those who propose to hire the new crop of budding advertising genii on a test basis even if it means test examinations and possibly an ousting of existing genii. For in the general shakedown that business is getting these days, many a copy writer, advertising agency executive and publisher's representative is seriously hard put to prove his own ability to make good with a knowledge, a viewpoint and a mental equipment that were considered wholly adequate in the good old whoop-em-up days.

"A simple test, it is one of familiarity with terms that are used by those in the graphic arts industries," says Professor Hovde . . . and straightway goes on to describe one of his experiments in this direction. Patterned as it was after the Stanford Revision of the Binet-Simon tests for the measurement of intelligence (isn't that getting a little rough on the boys, professor? After all, a joke is a joke, now, isn't it?) he uses a vocabulary test as a basis for first judgment of whether the modern advertising man (chrysalis or butterfly) really knows his stuff. He has selected every thirteenth word in a dictionary containing about 3,100 words, presumably those employed by advertising men and women and others engaged in the good old graphic arts. A good man should be able to score at least 75 per cent or better from either of two lists of fifty words or 62 out of the total list. S. O. S. tried the first fifty and (shameful admission) just got by. He didn't try the second fifty because he wanted to keep at least his own self-esteem, so that he could on occasion point the finger of amused scorn at his betters.

Professor Hovde doesn't mean, of course,

that the man who would know all these terms need necessarily get the job of a man who doesn't know a chromotype from a visorum. But he does mean, S. O. S. takes it, that a series of tests ought to be given to every employe annually, to see whether he is merely resting on his laurels or whether he has kept mental pace with the fastest-changing profession in the world. If he hasn't done so, his other virtues must proportionately outweigh the drawback of sedentary self-satisfaction, which has put so many of our so-called advertising "experts" out on a limb during the stringent times of 1931-32.

For those of this column's readers who profess to be alert advertising men, S. O. S. lists herewith the first and second fifty words so that you can take the test yourselves. But be careful that you don't do it in front of your boss, unless you're pretty sure of yourself. For after all, you might slip up. And the boss doesn't have to take the test himself.

Here are the first fifty words: advertisement, dead, display type, blanking out, halftone, blue pencil, newspaper, coated blank, form, brass rule, interrogation, carry forward, bookpress, dusting colors, laid paper, embossed printing, grotesque, rag paper, proof marks, pig, show card, make up, retouch, creeping, Caxton, extended type, lithograph, machine composition, drop-folio, woodcut, flat plate, process printing, chromotype, long primer, photo-engraving, intaglio printing, fillet roll, oozie leather, stereotype, octavo, test type, skiver, plater finish, squeegee, aluminotype, rubric, trichromatic, visorum, porotype, xylography.

Here are the second fifty: leading, commercial signs, bank, flyer, Ben Day process, calendered, bookcraft, house organ, tint, grain, bronze ink, correct, hand letter, double crown, hair space, envelope stuffer, letter press, pearl, height to paper, pressman, bristol, street car placard, jute manila, character, cut-in note, incunabula, aquatint, feather-edge deckle, seconds, line engraving, measuring stick, gelatine printing, solid matter, type sticker, Roman, papier-mache, offset printing, S & C, quad, mill blank, superimpose, Fournier, tail-piece, paginate, typothetae, autoplat, tympan, monotype, glyptography, fudge.

Go to it, friends. But just don't forget that S. O. S. warned you! And don't forget that reprints of the article in the *Lantern* are available direct from Professor Hovde at Philadelphia.

Thumbnail Reviews

Home Furnishings Survey, Section III—China and Glassware Department. This report explains the principles which underlie successful operation of a china and glassware department in a large department store. It is based on figures contributed by 300 stores. Profitable operation of a department in a certain store is also fully and interestingly described, the methods being explained in detail. New York: National Retail Dry Goods Association, 225 West Thirty-fourth street. 1932.

This is a Parable

based on the page from TIME'S Appleton Survey

[FOR THOSE WHO DON'T]



JOE sells electric refrigerators. He covers the big neighborhood west of the railroad track—where the middle-class families live.

Joe called on 5,860 families. He sold 178 refrigerators. That's a pretty good record—178 refrigerators. But he had to call on a lot of people—5,860. In other words, Joe wasted 32 out of every 33 calls.



MAC sells electric refrigerators, too. But he covers the wealthier neighborhood up on the Heights.

Mac called on 339 families. He sold 35 refrigerators. Not as many as Joe, of course—but wait a minute! Mac only called on 339 families.

In other words, Mac sold 1 refrigerator for every 9 calls. After Mac has called on 5,860 families, he will have sold 651 refrigerators.



TIME

The Weekly Newsmagazine

TIME, INC., 135 EAST 42ND STREET
NEW YORK CITY

Suppose each salesman makes 33 calls a day . . .

Joe sells 1 refrigerator every day.

Mac sells $3\frac{1}{2}$ refrigerators every day.

Which makes the most money each day for his employer? Which contributes most to the net profits? Suppose you could cover both kinds of territory in every community. Which would you start work in first?

First-choice medium for upper income bracket coverage in every U. S. community

"Philco Radio is going out after that 23% to 112% greater reader interest in Liberty"

says SAYRE M. RAMSDELL
Mgr. of Sales Promotion
Philadelphia Storage Battery Co.

... Says Mr. Ramsell: "We're gearing up to make 1932 a still more profitable year. That means examining old methods, old ideas, old traditions. Keeping the good. Discarding the unproved. Adopting the new wherever new facts show promise . . .

"We're starting from the basis that advertising is *multiplied sales talk*.

"There are many ramifications to advertising. But in the long run, the sales talk that reaches the most people is the sales talk that sells more goods.

"We've gone over the Philco list with a fine tooth comb. Studied rates. Studied duplication. Studied reader interest. And we think we've got to the point where Philco advertising is going to reach more persons per dollar expended than at any previous time in the product's history.

"As part of our plan to get the utmost out of every advertising dollar in 1932, Philco Radio is going out after that 23% to 112% greater reader interest in Liberty.

"When a disinterested authority like Dr. Gallup of Northwestern University gives us new facts showing that such an opportunity exists . . .

"When he bases his figures on 15,000 house to house calls, 4,000 elaborate interviews with readers of current issues of Liberty and other weeklies . . .

"When he proves the same situation in city after city, issue after issue, six times in a row . . .

"Then we say that here is sound evidence that Liberty belongs on Philco's bed rock magazine list for 1932."

In answer to the demand of current conditions for more facts and fewer theories, Dr. George Gallup, Professor of Journalism and Advertising, Northwestern University, recently made the first examination of the FACTS of reader interest in weekly magazines.

Instead of asking *opinions* as to how thoroughly different magazines were read, Dr. Gallup's investigators made readers go through their magazines page by page, checking exactly what *actually had been read*.

The findings were no surprise to students of publishing.

The average editorial feature in Liberty was found read by:

17% more persons than in Weekly A
6% more persons than in Weekly B
41% more persons than in Weekly C

Logical, because Liberty is the only mass weekly whose editorial policy has been established since the War . . .

Whose stories and articles are live, controversial, brief, in tune with the spirit of these changed times . . .

Whose readers want it enough to come back for it week after week, copy by copy, 52 times a year, making Liberty "America's most-asked-for magazine"!

Equally logical were Gallup's findings that the average advertising page in Liberty had stopped:

48% more persons than in Weekly A
23% more persons than in Weekly B
112% more persons than in Weekly C

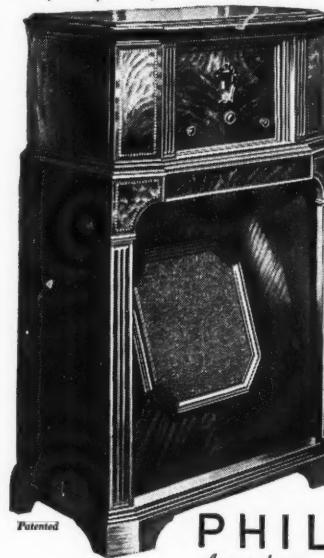
Few advertisements can get a chance to go to work unless a clever editor has first attracted a crowd.

And the ads in Liberty have an *extra break*, because every one is next to a com-

February 26, 1932

Liberty

The first RADIO
scientifically designed as a musical instrument



PHILCO
A musical instrument of quality

One of the Philco Radio advertisements now running in Liberty.

plete story. Liberty's method of make-up permits no "continued on page one hundred and blank" runovers next to which 90% of all ads elsewhere are buried. Every advertisement in Liberty is next to leading matter!

No wonder that Philco, like General Electric Hotpoint Electric Ranges, Pontiac, and a long list of other important advertisers, has arranged its 1932 list to include Liberty!

Times like these call for facts, not fancies—trail blazing, not rut following—action, not quibbling.

Because so many lists are being held open, re-opened and adjusted in connection with Dr. Gallup's new findings, you will want to examine them for yourself before you commit your stockholders' destinies for 1932.

A copy of the Gallup Report is available to everyone. Address Liberty, 420 Lexington Avenue, New York City.

Some New Advertisers

Bristol-Myers Co., *Ingram's Milkweed Cream*
California Packing Corp., *Del Monte Food Products*
Fred G. Clark Co., *Hyvis Motor Oil*
Colgate-Palmolive-Peet Co., *Colgate Shaving Cream*
Durium Products Corp., *Hil-of-the-Week Records*
General Electric Co., *Hotpoint Electric Range*
General Electric Co., *Hotpoint Table Appliances*
General Electric Co., *Refrigerator*
General Foods Corp., *Maxwell House Coffee*
General Foods Corp., *Post's Bran Flakes*
General Foods Corp., *Postum*
H. J. Heinz Co., *Spaghetti*
Johnson & Johnson, *Modess*
Kroehler Mfg. Co., *Furniture*
Lavoris Chemical Co.
Lehn & Fink, *Hind's Greaseless Texture Cream*
Lehn & Fink, *Lysol*
Maybelline Co.
Morton Salt Co.
Phoenix Mutual Life Insurance Co.
Royal Typewriter Co.
Spool Cotton Co.
U. S. Tobacco Co., *Dill's Best Tobacco*
Vick Chemical Co., *Vick's Vapo-Rub*

Liberty . . . America's BEST READ Weekly

What's New

¶ Any manufacturer who hasn't any particular distribution problem, but who is rather seeking to build up his established outlets, will find the leading article in this week's issue of particular interest. It tells how the Kraft-Phenix Cheese Company is tackling that problem in their 1932 sales campaign.

¶ A new wrinkle in oil merchandising has been hit upon by the Quaker State Oil Company. It is described on page 461.

¶ A striking example of a cooperative merchandising effort which was successful in trading up in a cut-price market is afforded by the experience of Societe des Modes. The plan is outlined on page 462.

¶ William E. Bomar, sales manager, Frederick Stearns & Company, tells how his firm changed over from a salary to a straight commission plan of paying salesmen—and still managed to retain the full cooperation of the men. Page 464.

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Sales Management

Vol. XXIX. No. 13

March 26, 1932

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MONEY IN JAIL

There are sixty-five mutual *savings* banks in New York City—exclusive of national and business banks.

These savings banks have 4,250,000 depositors—more passbooks than Chicago or any one of forty-two states have population.

Their deposits have increased \$700,000,000 since 1929—and now exceed \$4,100,000,000!

This money would do the country more good in merchandise, in industry—than in banks.

Persuade New Yorkers that your product is more desirable than a passbook—and you make a sale, help the country.

There is plenty of buying power here—selling power is needed!

The News can supply the selling power. Two-thirds of New York's population—and passbooks—are included and can be reached in News circulation.

The market is here. The medium is here. The opportunity is here. *Do something with it!*

THE NEWS, *New York's Picture Newspaper* • Tribune Tower, Chicago
Kohl Building, San Francisco • 220 EAST 42ND STREET, NEW YORK CITY

Significant Trends

As seen by the editors of Sales Management for the week ending March 26, 1932:

• • • That the American Tobacco Company's lavish expenditures last year for Lucky Strike advertising were not money thrown to the winds may be seen in their annual statement. Despite the low level of general business and a lower trend of sales in the tobacco industry for most of the year, this company earned \$9.07 a share, against \$8.56 in 1930. Taken as a whole, the "big four" cigarette companies reported record net earnings. Do advertising and courage pay?

• • • Some of the sympathy now being extended the railroads is of a practical nature. The Texas Railroad Commission is denying permits to truck owners to engage in the cotton traffic to Gulf ports, partly on the ground that their operations would impair the efficiency of rail service.

• • • Our merchandise exports in February were valued at 155 million dollars. In 1931 they were 224 million, in 1930 they were 349 million and in 1929 they were 442 million. Since the decline from 1929 is much greater than can be explained by retraction in general business or decline in commodity prices, the figures give added ammunition to the growing army of men who believe that foreign trade is being strangled by tariff barriers.

• • • After its sharp rise last week of four fractional points, the Irving Fisher Index of Wholesale Commodity Prices dropped two fractional points to 63.1. The record low was 62.9, made two weeks ago. A year ago it averaged 75.9 in March. Professor Fisher's index of the Purchasing Power of the Dollar rose to 158.4. A year ago it was 131.8.

• • • Last week's decline in grain prices, precipitated by the adverse prohibition vote and the Farm Board's announcement on selling our surplus abroad, caused a decline of 50 million dollars in values of crops on hand. The long-term outlook may, however, be more bullish, as the administration's move is interpreted as a definite severance of the remaining ties binding the government to private business. This spring's planting of cereal crops and cotton will be far less than average.

• • • A combination of several factors—the wage cut, freight rate increase, slashing of maintenance charges and an extra day in the month—has resulted in a number of railroads reporting larger net earnings in February than in January, including the B. & O., C. & O., Illinois Central and Chicago Great Western. Is 1921 repeating itself? In mid-summer that year a wage cut became effective and in the following months expenses fell faster than gross earnings. Railroad share prices responded immediately and soon were followed by an upturn in securities of industrial companies.

• • • History sometimes does repeat itself. Those who feel disappointed by the dearth of signs pointing to a "spring rise" may find consolation in another comparison with the 1919-1921 depression. The index curve of industrial production in 1921 continued to fall until May, when it turned abruptly and continued to advance, sub-

ject to slight dips, for two years. Again in 1924 the index pointed down at this time of the year and touched bottom in mid-summer. It turned up at that time and continued up until 1929.

• • • Annual reports to stockholders seldom call attention to mistakes made by the management. The report signed by Z. G. Simmons, president of the Simmons Company, contains a line of unusual and refreshing candor. Referring to closing the plant of the Berkey and Gay Company, and the writing off on the Simmons books of the entire investment in that furniture-making subsidiary, Mr. Simmons says, "This purchase was a mistake."

• • • The blue side: automobile output in February was 4 per cent below January, in contrast with a normal seasonal rise of 20 per cent. The rosy side: sales of new passenger cars during February in the first twenty-five states for which registrations are available show an increase of 9.63 per cent over January. Commercial car registrations in the same states increased 7.73 per cent.

• • • Now that the country has plenty of good five-cent cigars, what we need seems to be a new industry which will produce as much in the way of employment and profits as the electric refrigerator has done in the last decade. With the sale of 965,000 household units in 1931, the total number sold in approximately ten years reached nearly four million, for which consumers paid well over a billion dollars. The average retail price has fallen during the period from \$600 to \$258.

• • • Money in circulation has declined more than 100 million dollars in the last month. This decline and country-wide reports from merchants of the sudden appearance of many of the old large-size bills point to decreased hoarding and increased confidence.

• • • Failures last week decreased slightly in number from the preceding week and from the corresponding week last year. *Bradstreet's*, in analyzing the February failures, traces 59.9 per cent of them to trade depression, 24.5 per cent to undertaking to do too much business for the capital employed, and 8 per cent to incompetence.

• • • May business men continue to count safely upon an increase in population to provide an automatic increase in their sales? A preliminary estimate of births in 1931, made last week by Dr. C. E. Baker, of the Department of Agriculture, shows a figure at least 150 thousand less than the year before. On the basis of drastic curtailment of immigration and continued decline in the birth rate, statisticians now predict that our population will become stabilized at around 140 million people within the next twenty years.

• • • It is interesting, even if not nourishing, to learn that the aggregate earnings for 1931 of 379 industrial companies were 78.09 per cent less than in the peak year of 1928, but that in 1921 as compared with 1920 the decline shown by the same companies was 91.64 per cent. The compilation was made by Ernst & Ernst.



This Store's
Average Weekly
Cheese Sales:
\$5.43

The two stores pictured here are in the same neighborhood.

How Can We Build Better Dealers? Kraft '32 Sales Plan Finds an Answer

CREAMED Old English Cheese, a new Kraft product, will be announced to the world by the Kraft-Phenix Cheese Corporation in a four-color page advertisement to appear in the *American Weekly* on April 10.

This will be followed immediately with half-page and quarter-page advertisements in ninety leading newspapers in sixty major markets in the United States. Full pages in black and white will be carried in the *Saturday Evening Post*, *Time* and the *New Yorker*.

Copy for the new Creamed Old English Cheese will be built around a romantic figure reminiscent of the days of Samuel Pepys, Pickwick and Dr. Johnson—the days of Merrie Olde England and Ye Cheshire Cheese. The jovial and somewhat rotund figure depicted will tell of this fine cheese with the "Old English" flavor in the picturesque language of the time when men made a fine art of eating.

Intensive sales campaign uses case method to teach small - volume dealers how to get big volume business — new product, "Creamed Old English Cheese," to be introduced nationally on April 10.

BY LESTER B. COLBY

This new Kraft cheese is described as a zesty, sharp, aged cheese to which cream has been added so that it will spread.

The campaign will cost about \$250,000 and is a part of the extensive and far-reaching "Kraft 1932 campaign" which will run to a total of about \$1,500,000, using color pages in the *Ladies' Home Journal*, *Woman's Home Companion*, *Delineator*, *Good Housekeeping* and *McCall's* with regular full pages in the *Saturday Evening Post*.

A special campaign in 841 smaller

city newspapers is also to be used. Educational campaigns will be run in the leading publications reaching physicians, hospitals, bakers, hotels, restaurants, domestic science experts and all factors in the grocery trade. The "1932 Kraft Plan" is described as the most elaborate and best-thought-out merchandising effort the Kraft-Phenix organization has ever attempted.

It has been built, according to John H. Platt, advertising manager, not from the advertising down to the merchandise, as is commonly the case, but from the merchandising upward to the advertising.

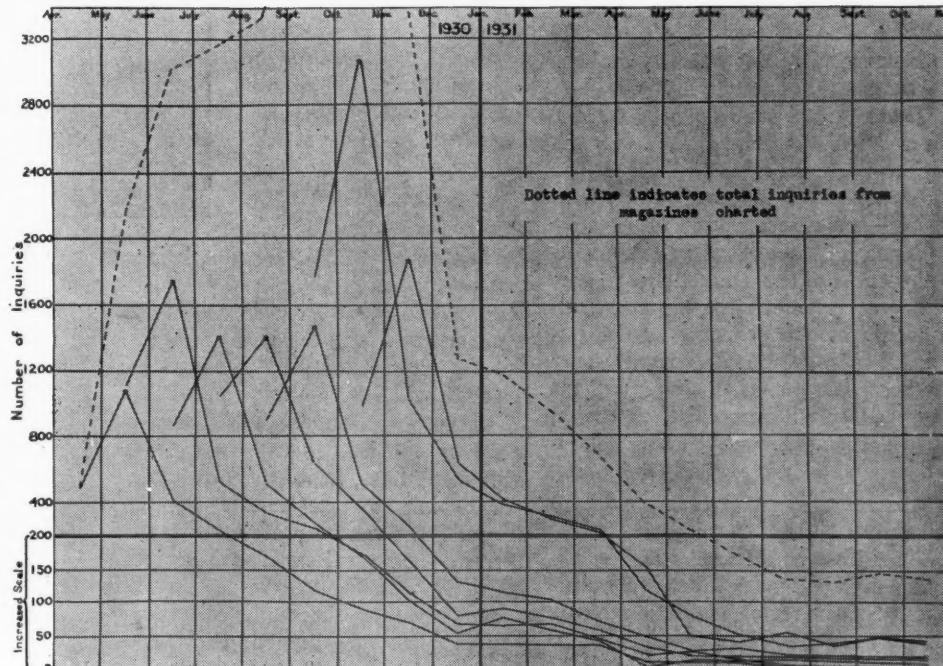
Like many other manufacturers of widely advertised, nationally known products, Kraft's Problem is not so much one of widening distribution as it is the strengthening of outlets already handling the line. Kraft's 1932 sales program, therefore, is designed to show dealers how they can greatly increase sales through proper display, and how they can encourage



This Store's
Average Weekly
Cheese Sales:
\$126.48

*A perfect demonstration of
the sales-creating power of
attractive display.*

¶This record of inquiry returns on Kraft cheese advertisements published in national magazines furnishes an interesting picture of the long life of these mediums in the home of the consumer. Notice, on the chart, that a May, 1930, advertisement, for instance, is still being read and responded to 19 months later, in November, 1931. The dotted line indicates total inquiries from the magazines which are here charted.



customers to become bigger cheese buyers through use of a wider variety of cheese.

To reveal to dealers the possibilities for building volume, Kraft is using the case records of specific grocery dealers. Take, for example, the two stores pictured on pages 458 and 459. The one—old-fashioned, messy, cluttered—averages on \$5.43 a week in cheese sales. The other—modern, clean, orderly—sells an average of \$126.48 worth of cheese a week. Both stores are in the same neighborhood.

By bringing this striking instance, and other similar cases, directly to the attention of retailers, Kraft is giving them a picture of a potential market which has thus far lain wholly outside the realm of their imaginations. They cite the case of the W. H. Piel

store in Belvidere, Illinois, which sold \$1,563 worth of cheese and \$250 worth of mayonnaise in eight days. Before it put in mass display, according to the Kraft recommendations, the sales averaged approximately \$300 a week.

Again, a mass display in the Alt Market, Des Moines, Iowa, sold \$418.11 worth of cheese in one week, in contrast to average sales of approximately \$30 a week before mass display.

In order to get the story over to the dealer about what mass display will accomplish for him, Kraft has printed an imposing and elaborate loose-leaf manual which Kraft salesmen are carrying to the trade. It is illustrated with pasted-in photographs of the stores mentioned above, to-

gether with photos of additional similar cases.

The portfolio gives a surprising mass of facts, figures, statistics and proofs boiled down to a minimum of words. It is built to convince the dealer that cheese is well worth his attention.

One full page in the portfolio is devoted to this:

"This is not a proposal to put in a cheese department, even though many stores have discovered that such a department is extremely profitable.

"It is a demonstration of a tested method by which you can prove the real possibilities of cheese merchandising without any trouble or expense to yourself."

Some of the convincing excerpts from the manual:

"Americans are eating more cheese. A 55 per cent increase in fourteen years.

"Each family consumes 19.3 pounds a year.

"Every store selling 500 families ought to be selling 9,650 pounds of cheese a year.

"Every store selling 1,000 families ought to be selling at least 19,300 pounds of cheese a year.

"A cheese dollar brings in a profit thirty-nine times a year.

"Dealers specializing in cheese sales with cheese departments and mass displays get big sales and profits.

"Ninety-four out of every 100 people like cheese.

"People everywhere are familiar with the Kraft name—and respect it.

". . . because Kraft is responsible for the present perfection of uniform, quality cheeses in packages and their nation-wide distribution.

". . . and because Kraft, steadily and persistently for years, has been telling people about its products."

The large and imposing portfolio, covered with bound celluloid over silver on black, is entitled:

"A ten-strike in modern merchandising—the cheese unit."

When a Kraft man lays this portfolio out on the counter, and goes through it page by page, the merchant, it would appear, cannot but be impressed with the possibilities, not only of cheese but the other Kraft products described and illustrated; mayonnaise, salad dressing, French dressing, Thousand Island dressing, salad spread, etc.

Besides this, Kraft men, all over the country, are going into the stores and are instructing dealers how to arrange mass displays which are scientifically built after months of the closest study of cheese merchandising.

Kraft's national advertising is local advertising, is another slogan used in the selling scheme.

"When we talked to a local merchant of the 15,500,000 magazine circulation used to sell our products," said Mr. Platt, "we found that it did not mean much to him. He did not have any 15,500,000 customer families in his trade field and so what could he care about that?

"So we set out deliberately to find a way to show him his own individual picture. We had to make it plain; obvious. Our method is to arm our men everywhere with circulation figures for that immediate territory.

"Circulation figures for what we call the Kraft Magazines have been broken down for all towns and cities of more than 1,000. Every salesman is armed with the facts."

Out of a maze of data he pointed

to one. It happened to be Estherville, Iowa. It showed:

Native Publication—	Circula- tion Families
Saturday Evening Post	212 1,081
Ladies' Home Journal	183
Woman's Home Companion	160
Delineator	276
Good Housekeeping	173
McCalls	251
Total	1,255 1,081

Kraft's 1932 sales program is designed to show dealers what mass display will do for sales of cheese and related products. Here is a typical modern cheese department in an up-to-date retail store.



Percentage of Kraft circulation to native white families, 116 per cent.

"When home-town figures like that are laid before the dealer's eyes he sees, understands, is convinced and acts," said Mr. Platt.

Another strong point in the Kraft sales campaign, not at the command of many lines, is pointed out as this—

Owing to the nature of Kraft goods, the necessity of keeping stocks fresh, some salesman selling Kraft products visits every outlet at least once a week. Frequently he visits the sales spot two, three or four times a week. He is in intimate touch all the time.

When the mass displays are arranged he goes into the store and gives personal attention; offers to the dealer advice born of experience and study. Very often a woman demonstrator is placed on the job while the advertising, national and local, is at its peak.

This woman gives out samples of the various cheeses, talks to the customer, sells. She is there to interest personally the passing customer in Kraft products. After she is gone, experience shows, sales continue almost invariably on a much higher level than before. The effort takes on permanency.

Part of this result is due to the education given to the customer; part of it to the education given to the dealer, Mr. Platt explained.

While the coming campaign which

will introduce Creamed Old English Cheese concentrates on this new product, that is only a part of the present massive selling campaign. Kraft now carries nearly 200 items.

March saw Kraft "Kitchen Fresh" mayonnaise make its initial bow in the national advertising field. Full-color pages in a number of leading magazines were used. This is the first mayonnaise with national distribution to take the step.

But in its scheme of selling, the Kraft organization—while recognizing the full value of advertising—makes it a practice never to forget the value of "point of purchase" merchandising.

The mass display, the island display, the counter display are the spots, it is contended always, where the "borderline sales" are actually converted into "cash-register sales."

Dealer reaction to the Kraft program of selling?

The dealer reaction lies in the evidence, said Mr. Platt, who contends that advertising is far more than mere printed pages—though he uses many of them. He pointed out that very recently scientific mass displays, tied in with cheese weeks, had done these things:

Genetti Store, Hazleton, Pennsylvania, doing a normal business of about \$100 a week in cheese, jumped it to \$435 in one week.

Hunt Grocery Company, Dallas,

(Continued on page 475)

Quaker State Promotes Quality with "Insured Performance"

BY LAWRENCE
M. HUGHES

THE proof of the product is in its performance. In the belief that the motoring public is more concerned with performance than with eulogies of products, Quaker State Oil Refining Company, Oil City, Pennsylvania, this week announced conclusive proof of its long-established slogan of "Service and Quality above every other consideration" with the slogan, "Surely, oils and greases good enough to insure are best for your car."

"Insured Lubrication," in fact, is more than a catch-phrase, explained J. M. Koch, vice-president in charge of sales of the Quaker State company, in an interview with this magazine. A blanket policy has been taken out with Travelers Indemnity Company of Hartford, which insures Quaker State customers for one year against repair costs due to faulty or insufficient lubrication.

The premium paid is one of the largest in commercial history. In addition, Quaker State will materially expand its sales promotion and advertising efforts to support it. Mr. Koch expects the plan to attract many new members to the company's group of 1,500,000 consumers now being served annually by 85,000 dealers in the United States, Canada and Mexico.

Officials of Quaker State believe that their lubricants are the best on the market. The company has been able to maintain prices on them for a number of years. Sales volume has been maintained by strict adherence to quality standards.

The "Insured Lubrication" plan, however, Mr. Koch pointed out, is the "most severe test Quaker State products have yet faced, and the most dramatic evidence of the company's faith in them."

To obtain the protection the motorist is asked, in addition to using Quaker State products exclusively, to equip his car with a device called "Roll-o-Miles," at a cost of \$3.50 in the United States and approximately \$5 in Canada. (The Insured Guarantee is sent free.) "Roll-o-Miles" is a lubrication guide and check-chart which rolls up and fits into the pocket of the car. It provides, said Mr. Koch, a chassis diagram of the individual's make of car, showing every lubrication

The whole lubrication job—
Consistent repeat business—
More good will of old users—
And new additions to the fold
Are sought by Quaker State
Through Insured Performance

point and type of lubricant required; affords a space for making a record of every oiling and greasing job, "clearly reminding you and your station attendant when the next oiling and greasing job is due; furnishes indisputable evidence—when you wish to trade your car in or sell it—that you have taken more than ordinary care of it, and supplies the needed evidence to support any claim you may have for replacing a burned-out bearing, according to the Quaker State Insured Guarantee."

A coupon for a free booklet on "The Story of Insured Lubrication" or for accompanying remittance for "Roll-o-Miles" plus the Free Insured Guarantee (to be sent prepaid), appears in each consumer advertisement.

The national consumer campaign began this week over 100 radio stations, in seventy-seven larger city newspapers (tying in with the radio programs), in twelve national and regional magazines and through a variety of direct mail and point-of-sale methods.

For two months Mr. Koch and his sales organization have been preparing the dealers and the 675 distributors for it. Quaker State itself has held eighty-five dealer meetings throughout the country. Each distributor has had special sessions with his own dealers, and distributors' salesmen have provided dealers with booklets on "Insured Lubrication" and have explained in detail how to carry out the plan to their own advantage.

Then, on March 15, Mr. Koch sent a "mobilization" letter and program to dealers and salesmen, formally launching the "1932 Prosperity Drive."

Dealer recruits to the Quaker State green-and-white banner are being sought in spreads in six business papers going to filling stations, car dealers and garages. Of the company's present retail distribution organization, about 30,000 are independent filling stations, 30,000 are car dealers, 5,000 "super-service stations," 10,000 storage garages and 10,000 repair garages and other outlets.

The consumer advertising program is being presented to dealers and distributors in a sales portfolio which depicts the motor of the "Quaker State Straight Eight," of 308,267,710 I. P. ("Impact Power," or total number of advertising impressions). These eight cylinders are shown graphically as "radio, newspapers, dealer helps, trade journals, Quaker State's extra contribution, personal contacts, magazines and direct mail." The "gas tank" is the appropriation; the "battery" is the sales spark, the "gear shift" the formal inauguration of the program this week.

Of Quaker State's 300,000,000-and-more I. P., 22,000,000 are direct-mail pieces. These pieces—folders, booklets, letterheads and whatever, Mr. Koch pointed out, are intended not only to sell the new lubrication plan but to emphasize the dealer's identity in connection with it. A series of stories on such themes as "The Day Dr. Riley Was Late" and "Picnic or Panic?" are "written," for example, over the dealer's name as the author. A choice of forty different kinds of letterheads and stationery is available to dealers—each carrying the Quaker State emblem and the line, "An extra quart of insured lubrication in every gallon." Illustrated postcards, a little light in tone, are an incidental medium. Six million copies of "The Story of Insured Lubrication: What It Is, and How to Get It," will be given to motorists at stations or tossed into their cars.

The magazine spreads are being sent to dealers monthly, as part of a series of broadsides telling how they can "cash in" on the program.

In each piece of national copy only 100 words or less are devoted to Quaker State products—several hundred words to Insured Lubrication.

(Continued on page 478)

Can You Sell High Priced Goods in a Cut Price Market?

"Yes!" says Societe des Modes. This simple cooperative marketing plan is a striking example of what can be accomplished when members of the same industry work together in a constructive plan for trading up, instead of sacrificing profit in the ruthless price competition so prevalent today.

HIGHLY seasonal and extremely susceptible to intense fashion fluctuations, the millinery industry would seem to offer insuperable difficulties to prevent the practical success of any merchandising program based on cooperative marketing.

Organized in 1930, the Societe des Modes de Paris is composed of six of the leading wholesale millinery manufacturers. At its inception, the Societe licensed 200 leading department stores and specialty shops to use its label in hats bought from member manufacturers, to retail from \$13.50 to \$30.00. Now, two years later, the Societe has 480 licensed dealers who, in 1931, sold over 80,000 hats with the Societe label—and sold them at retail prices, \$13 to \$30, that were absolutely contrary to the trading-down trend of the market.

Here is a stimulating and constructive record of sales successes and modern methods of merchandising that offer concrete, practical ideas to other industries still struggling with the destructive results of "sale," "price" and "trading-down" panics staged the last two years. Why the Societe was organized, how it works and what it has accomplished are here described by Earl Farrington of Farrington and Evans, charter member of the Societe des Modes de Paris.

"The Societe des Modes de Paris is an organization composed of six of the leading wholesale millinery manu-

facturers, whose entire effort has been the manufacture and promotion of the finest quality millinery products that can be made.

"We joined in the organization of the Societe for several reasons: first, so that we could promote, by a collective effort, a greater desire on the part of the retailer—and a corresponding demand by the consuming public—for better quality and better style merchandise; second, so that by regularly meeting in an organization wherein all the members had equal rights—so that by the combined efforts of the members through a unanimous vote—the various problems in our business would receive attention which would be beneficial to the entire industry. Further, we wanted to eliminate those evils which were self-evident in the industry. Third, we planned that all of the member-manufacturers' products sold over a certain price were to be licensed to carry the Societe label. By advertising to the consuming public collectively there would be created an appreciation of the merits of merchandise bearing this label. The public, in turn, would have a definite guarantee that it would always receive its money's worth.

"So, in 1930, we organized and incorporated in the state of New York, all members taking equal stock in the organization. Stock is non-transferable and must be surrendered in the event of any member's withdrawing from the Societe.



"One principal from each of the contributing firms was chosen to form the board of directors. New officers are elected every six months. A resolution was adopted that all decisions of the board must be unanimous.

"A distinctive trade-mark or label was agreed upon, and the insignia of the organization was embossed on the stationery of the various members.

"Then we established a local office where all the activities of the organization were conducted under the supervision of a secretary.

"The income from the Societe members is derived from monthly dues paid toward the upkeep of our office, and by a tax of ten cents levied on every label which each of the manufacturers uses in its respective hats.

"Regular meetings are held every two weeks, at which the problems in our industry are discussed and the respective merits and sincerity of accounts analyzed.

"After the administration machinery had been set up, our next step was to send the entire sales forces of the member-organizations out into the field to review the potential retail candidates for our high-class merchandise in every city of the country. A committee selected those accounts in each city or town which were considered eligible to carry the label in their respective localities. From this preliminary research work a highly selective list of approximately 1,000 of the best retail stores and specialty

shops was built, and these were circularized with the propaganda and purposes of the Société.

"Application cards were given to all of our salesmen to present to those prospects desiring to use our label whose names might not have appeared on the preferred list of 1,000. The thirty-five salesmen representing members of the Société were, of course, provided with a list of the 1,000 preferred prospects. A copy of the book containing the list was retained at each member's office as a key list. The applications were sent to the main office and prospective customers were voted upon by our label eligibility committee with a view to deciding whether their characters, credits and stores were acceptable to the Société.

"The salesmen were instructed to sell merchandise to these accounts with the idea that, instead of using the name of the manufacturer, the accounts should be induced to use the Société label in all of the products purchased above a minimum wholesale price of \$7.50. The \$15 selling price was decided upon as the minimum at which high-class millinery could be made to retail—that is, millinery executed in a manner pleasing to its foreign originators.

"We never entertained the idea of establishing agencies for this product because we definitely would not confine it to any one account in a city. In a high style article of this kind, the greatest merit of the proposition was that any department store or specialty shop using the label and creating a demand for it in its city could always feel sure that the highest standards of millinery were being maintained. Because there was no obligation to buy from any particular one of the six members, the label, no matter how far promoted, would always be attached to the "last word" in millinery. For by having it presented exclusively through six of the best firms in the industry there was little likelihood that all six of these firms would be definitely wrong in their style presentations in any one season. This permitted the buyers to purchase from any one of their favored manufacturers without the slightest compulsion to purchase from anyone whom they were not in the habit of visiting.

"Meetings were arranged at which the sales forces of the various organizations were assembled and apprised in detail of the efforts and purposes of the Société.

"Beautiful brochures were mailed from Paris to the prospective 1,000 accounts, and various concerns and individuals in Continental Europe inter-

ested in style work were informed of the activities of the Société.

"Through our advertising committee, a photographic placard, featuring the latest style in millinery contributed by each of the members in rotation, was prepared each month. These we forwarded to all the users of our label for either window or counter display purposes, attractive metal display fixtures being provided to contain them. In order to achieve the highest degree of fashion authenticity for our photographs, we secured the cooperation of one of the ten leading coat and dress houses to supply the coat or dress to be photographed in conjunction with the hat shown.

"Specially designed boxes to carry the hats bearing this label were contracted for. Leading retailers such as Best & Company, Marshall Field & Company, J. L. Hudson Company, etc., featured the products of the Société and proofs of their various advertisements were mailed throughout the country.

"Fashion shows were participated in, not by the individual members but always collectively as a unified exhibit of the Société des Modes de Paris.

"Advertisements were scheduled in *Vogue*, *Harper's Bazaar* and all the leading trade papers, calling the attention of the consumer and retailer to the merits of merchandise bearing this label.

"An office was established in Paris to keep in daily contact with the style sources in France and the sources of raw material supply in other contributing countries.

"Frequent meetings were held with American style authorities in the dress and coat industry, at which the problems of the trade were discussed.

"During this time the salesmen succeeded in inducing 480 dealers to ac-

cept the Société des Modes de Paris label in lieu of the manufacturers' own labels, and frequently in substitution for the stores' own labels. These trade-marks were put in over 100,000 hats that subsequently retailed at from \$13.50 to \$30 each. The most outstanding achievement of the organization was the realization that the problems confronting each of its manufacturers were very much the same, and that solution was more readily achieved through concerted action than by individuals. For instance, it was recognized that many retailers who were abusing the style leaders in the industry by buying from them a smattering of hats either for copying purposes or for styling themselves, could best be dealt with collectively. When heretofore an individual manufacturer thought he alone was victimized by the design pirates, it was found, upon discussion, that they were all confronted with about the same situation.

"Another great accomplishment which lends bright hope for the future was the discovery that style houses, which apparently had formerly looked upon each other with suspicion bordering on enmity, could finally "put their feet under a table" and almost unanimously agree upon the respective merits or demerits of practically any problem which presented itself to the industry. If this can be accomplished, what greater things could be developed if all of the ranking style houses in every branch of the ready-to-wear business would combine to guard their interests, and at the same time protect those outlets which, by years of arduous effort, have built up in their respective communities the esteem and trust of the consumers whom these manufacturers strive to serve."

In this connection, it is interesting to note the proposed organization of the National Quality Maintenance League by outstanding textile, dress, shoe, hosiery, hat and other ready-to-wear and accessory manufacturers. At a preliminary luncheon meeting at the Empire State Club, March 18, Mr. Julius Forstmann made this statement of great significance to the manufacturer of quality merchandise:

"The argument advanced in defense of inferior merchandise is that the present economic situation, with its attendant reduction of individual incomes, makes its sale imperative. This argument, to my mind, is basically wrong. . . . The fundamental reason for the continued ascendancy of inferior merchandise is its determined and unceasing promotion at low prices by competitive manufacturing and retail outlets."



B Y
M E R L E
H I G L E Y

From Salary to Commission Without Disgruntled Salesmen

(This plan was briefly summarized in the special supplement, "Managing Salesmen in 1932," published with the February 27 issue of SM. So many have inquired for further details that additional facts are presented here.)

A UNIQUE compensation plan for salesmen which we introduced early this year incorporates four features of utmost importance: 1. It keeps faith with salesmen while making a major change; 2. It bases salesmen's compensation on ultimate ideal costs; 3. It provides an incentive to push our most profitable lines; 4. It includes a temporary and voluntary non-chargeable subsidy.

W. E. Bomar

For many years Frederick Stearns and Company have been paying salesmen straight salary and actual expenses. Conditions have changed greatly during all this time, of course, and we desired to introduce a compensation plan that would better meet present-day needs—a plan which, among other things, would provide a greater incentive for individual effort, would direct attention to our most profitable lines, would equalize territorial differences, would reduce our selling costs, and would eliminate expense accounts.

Some kind of commission and drawing account proposition, perhaps with a bonus feature, appeared to be the logical solution, but this brought up other considerations. Our costs of doing business in some territories were satisfactory, while in others they were entirely too high. Peculiarly enough, one of our most profitable lines is the easiest one to sell.

In analyzing these and other facts, we began to think of what it really should cost us to do business in the various territories and in the different lines if we were all 100 per cent efficient. So we determined to ascertain our actual costs by territories and by products, then to set up ultimate ideal costs to work toward.

In order to do this, we had to analyze each salesman's sales by products or product groups, by territories and by classes of trade. It should be explained that our products are grouped in six lines and our salesmen sell to three classes of trade. The desired information was readily available from sales reports for the past year.

Our selling cost in one territory, for example, was 18 per cent and we thought we might reasonably hope to reduce this, in time, to 10 per cent. This would be the ultimate ideal figure for which to strive. Our salesman in that territory had sold a certain volume of each of the six lines and to each of the three classes of trade, hence we knew what percentage we had been paying him in salary and expenses on each line and on each class of trade. If we should succeed in reducing our selling costs in this territory to 10 per cent and the percentage of his volume of each line and to each class of trade should remain constant, we would then be paying him a smaller percentage on each. We also considered the relative difficulty of selling each line and the possible increases that might be secured by giving more attention to the most profitable lines.

From these studies we set up a commission rate on each of the six lines in each territory and on each of the three classes of trade. This variable rate compensates the salesmen for territorial differences and also serves to balance our selling costs.

In some territories the rates were cut very little, as we were reasonably pleased with our results there; others were cut materially, because we were convinced that our selling costs in those territories were entirely too high. In every case, however, we established an *ideal setup as an ultimate goal*—one which we did not expect to attain immediately and one which we shall be very happy to attain in the near future.

It would have been utterly impractical to place our salesmen on commission at these ideal rates without making up the difference between what they had been earning and what they would likely be able to earn immediately on this new basis; hence we decided to allow them a temporary and voluntary non-chargeable "subsidy" in

the approximate amount of that difference in each case.

We'll say, for example, that a given salesman had received salary and expenses totaling \$4,200 last year, and that if he should sell the same volume this year he would earn only \$3,000 on the new commission basis. To compensate him for this loss, we simply give him a cash allowance of \$1,200, payable in equal semi-monthly installments.

In going over his individual contract with him, we said, in effect: "These are your commission rates. If you had been paid on this basis last year, you would have received \$3,000, but, as a matter of fact, you were paid salary and expenses totaling \$4,200. We are placing you on this new commission basis now, but we want you



BY

W. E. BOMAR

Sales Manager,
Frederick Stearns and Company,
Detroit, Michigan

to earn at least as much as before, hence we are going to give you a cash allowance equal to that difference, or \$1,200 this year. If you sell only as much this year as you did last, your earnings will be the same; if you sell more, you will be paid more. We want you to earn as much as you can and we promise you that these commission rates will not be reduced for a long time to come, so you don't need to be afraid that you may get to earning too much on commission.

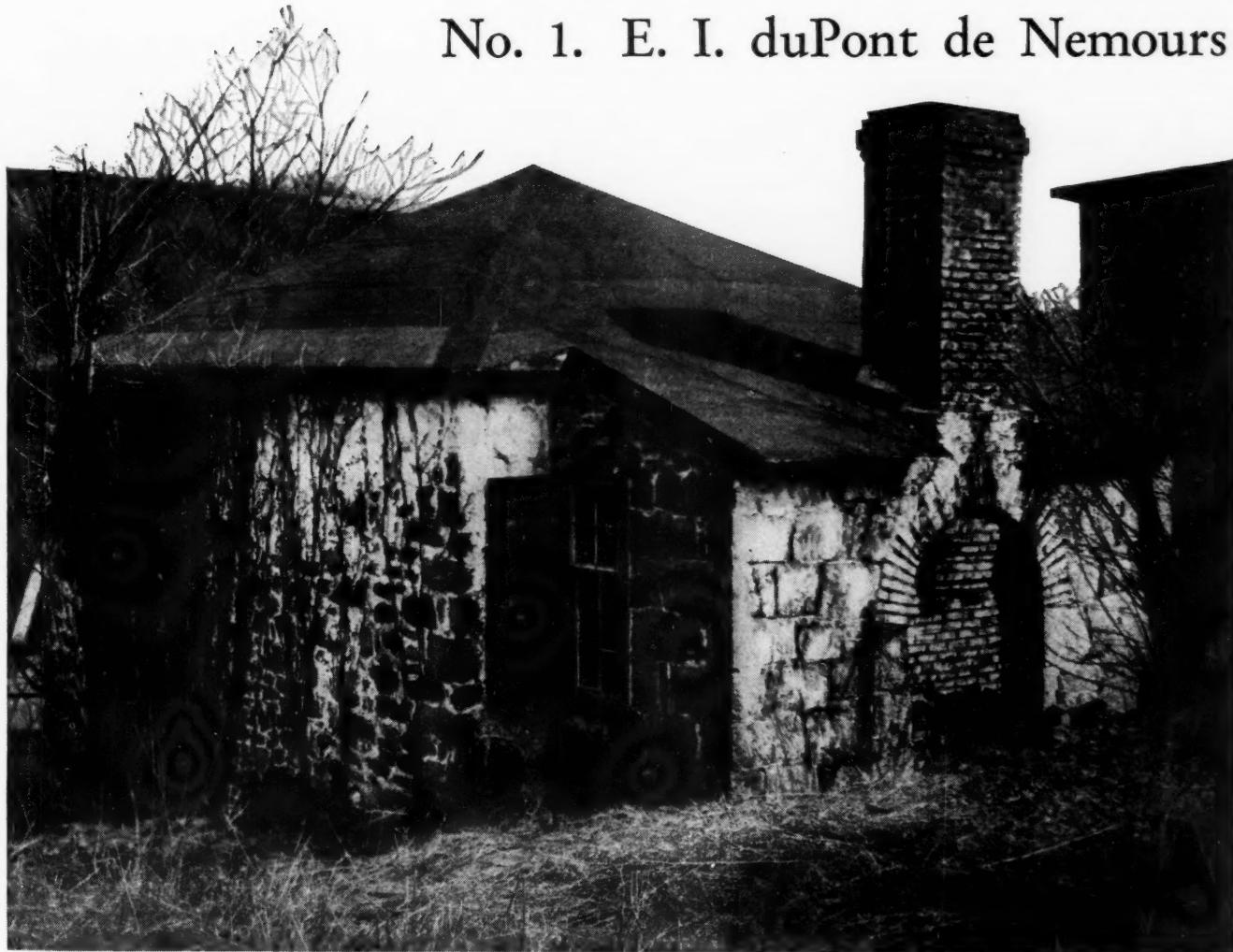
"On the other hand, we'll tell you frankly that this cash allowance is only temporary. We expect to reduce it gradually, as your earnings on commission increase, until it is eliminated entirely and you will be on straight commission, without allowances of any kind except your drawing account.

"You have everything to gain and nothing to lose. Your earnings for this year, in the midst of a severe depression, are virtually assured, and you

(Continued on page 478)

Cradles of Big Business

No. 1. E. I. duPont de Nemours



THE FIRST HOUSE OF duPONT: The powder mill established by the duPonts on Brandywine Creek, near Wilmington, in 1802, was the nucleus of E. I. duPont de Nemours Powder Company. The Powder Company was succeeded in 1915 by E. I. duPont de Nemours & Company, which now has assets of more than \$600,000,000, about one-third of which represents the present value of the securities held by the company in General Motors.

The original duPonts came over here from France during the Revolutionary war. Their powder had something to do with George III's chagrin. They have provided munitions for the various controversies in which the United States has been engaged.

Since the World War, however, the duPont company—still dominated by the duPont family—has made even more money from peace-time pursuits. Under their direction, General Motors became the "most profitable corporation in the world." Cellophane and ammonia, paints and ferti-

lizers, hotels and glycerine, railroads and rayon, motion picture film and the Empire State building are a few of the activities in which this family with the long name and the long lineage are now engaged.

General Motors—today more than twice as large in assets as the duPont Company—also has "diversified" remarkably since the duPonts became its controlling factor in 1916. In addition to selling 40 per cent of the nation's automobiles, the corporation has become an important factor in electric refrigeration, airplanes and air transport, radio and other electrical appliances.

General Motors sells in more than 100 countries and the duPont company itself in almost as many—from Morocco to Australia.

Recent duPont acquisitions are the United States Rubber Company and the Democratic Party!

The Public Pays Its First Billion for Electric Refrigeration

Mt. CLEMENS, MICH.—The sale of 965,000 household units at a retail price of \$248,970,000 last year brought the total number of electric refrigerators bought by the American public since the launching of the industry in 1918 to 3,965,000 and the total amount paid at retail to \$1,192,415,000. The average retail price per unit has fallen in this period from about \$600 to \$258.

Detailed data on the emergence of electric refrigeration as a major industry were released for the first time to SALES MANAGEMENT this week by Louis Ruthenburg, president of Copeland Products, Inc., here, and chairman of the Refrigeration Division, National Electrical Manufacturers Association. The division has just completed a nation-wide survey on this subject.

Up to 1920, Mr. Ruthenburg pointed out, 10,000 electric refrigerators had been sold with a retail value of \$6,000,000.

"Based on Sales Managers' average retail prices for 1920 to 1927, inclusive, and the average retail prices given by the ten manufacturers who constitute the division," he added, "the following table gives the number of electric refrigerators sold from 1920 to 1931, together with the total value and the average retail prices for each of those years:

Year—	No. of Units (000 omitted)	Average Retail Price	Total Value (000 omitted)
To 1920 ..	10	\$600	\$6,000
1921 ..	5	550	2,750
1922 ..	12	525	6,300
1923 ..	18	475	8,550
1924 ..	30	450	13,500
1925 ..	75	425	31,875
1926 ..	210	390	81,900
1927 ..	390	350	136,500
1928 ..	560	334	187,040
1929 ..	840	292	245,280
1930 ..	850	275	233,750
1931 ..	965	258	248,970
Total ...	3,965		\$1,192,415

"Deducting for stock in dealers' hands, obsolescence, replacement and exports, approximately 465,000 electric refrigerators, there remain about 3,500,000 now in use. As against 20,441,249 homes wired for electricity, this leaves a market saturation of only 17.12 per cent. An interesting fact to note in connection with these figures is that the market is growing as sales increase, so the saturation point, like the horizon, increases its distance from us as we approach it.

"Of course we have learned from the automobile industry that there is no

such thing as a true saturation point, for the simple reason that machinery wears out, it is replaced for any number of reasons, new people are born, new requirements developed.

"Electric refrigeration did not enter the commercial field until 1923, so a comparison of commercial sales for the same period is not possible. However, it is a conservative estimate that commercial sales volume in 1931 exceeded \$150,000,000, making a total of not less than \$400,000,000 for the year.

"In the number of commercial refrigerator sales, these increased from 500 in 1923 to 187,200 in 1931. The expansion, however, was not so great in recent years, as the following table shows:

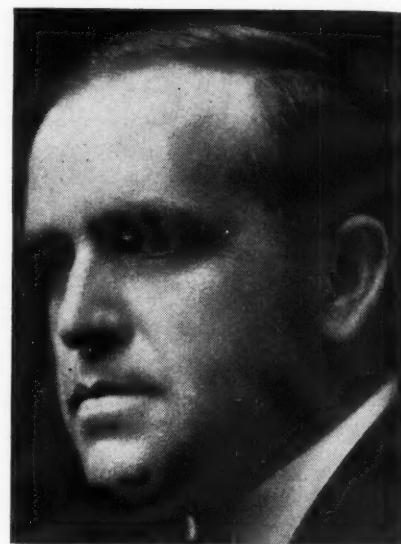
Year	No. of Units
1923 ..	500
1924 ..	8,500
1925 ..	37,500
1926 ..	75,000
1927 ..	125,000
1928 ..	217,500
1929 ..	314,200
1930 ..	245,600
1931 ..	187,200
Total ..	1,211,000

"The decline in commercial sales may be explained in the number of retail establishments that were forced to discontinue, and the greater number that could not afford to modernize their plants, since 1929.

"It would be interesting to give figures as to how much the industry has contributed in wages and materials used in their manufacture. Government figures, the only ones available, are two years old and do not give an accurate indication of the present size of the industry in this respect.

"The 1929 Census of Manufactures, published in the 1931 Commerce Yearbook, for example, lists 32 manufacturers of electric refrigeration equipment. The number at the beginning of 1932 is nearer to 150—nearly five times as many as in 1929. However, based on 32 manufacturers, the number of wage earners for that year averaged 16,754; wages amounted to \$26,172,000; cost of materials, fuel, power, \$71,787,000; value of products, \$161,494,000; value added by manufacture, \$89,708,000.

"Electric refrigeration ranked second only to electric lighting fixtures for 1929 in a classification of six electrical products listed in the chapter on 'Electrical Machinery and Apparatus.' In this table electric fixtures were placed at \$121,284,000, electric refrigerators



Louis Ruthenburg

at \$111,675,000, electric clothes washers at \$59,931,000, electric signs at \$34,007,000, vacuum cleaners at \$33,662,000 and portable electric tools at \$10,555,000."

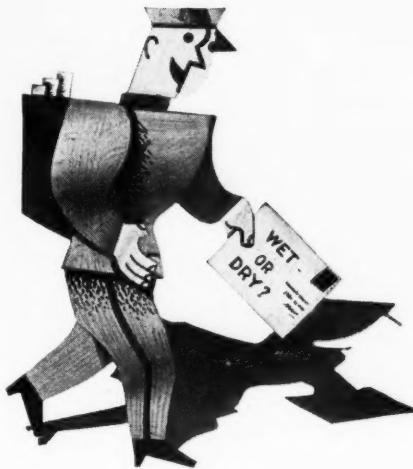
In a recent talk before the Adcraft Club of Detroit, Mr. Ruthenburg made some interesting speculations as to the possibilities of the industry:

"A little more education refrigeration-wise, on the part of architects and the home building public," he said, "and we shall not satisfy the builder of a fine home costing \$10,000 or more with a single household refrigerator. The residence of the future will require the installation of a central refrigerating plant cooling a food box on one side of the kitchen, a low temperature case for making ice, storing meats and frozen foods for indefinite periods in another part of the kitchen. Operated by this same central plant, there will be a complete refrigerator in each guest room and many house-holders will not be unmindful of the advantage of operating refrigerated coils in connection with certain apparatus in the recreation room. This unit will not be the little unit which now characterizes the household refrigerator, but in many cases will be a unit large enough to supply adequate room cooling in addition to the other demands which I have described.

"Such developments as these are facts accomplished as far as technical development is concerned. It remains only for those of us who are interested in sales promotion and public education to make such installations an accomplished fact and a profitable selling business in every part of the country. Such installations will never be sold by mail order houses and department stores. They offer a permanent opportunity of applying intensive selling and specialized service."

WHAT A YEAR!

WHAT A CHANCE!



FOR many months *The Digest* has been planning how best to reflect and report the people's answers to the burning questions of 1932.

Truly a year of drama, a year of action! *What about prohibition—candidates for President—the election—debt reduction—disarmament—economic relief?* What do we want? What will we get?

The voice of *The Digest* will tell the will of the nation. "Sounding-board of American Opinion" is no empty title. Our 20,000,000-vote poll on prohibition is now in progress. A presidential poll will follow. . . . And as in the past, the findings of *The Digest* on every matter of major concern will have the earnest attention of the civilized world.

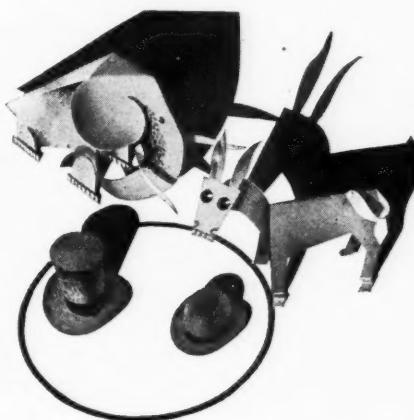
Times of tension always increase the interest and value of *The Digest*. And *The Digest* uses every practical means to extend its influence—by daily news broadcasts, by regular notices in newspapers and magazines, by cards in street cars and

airplanes, by millions of mailings to telephone homes, and through its own powerful pages.

Digest advertisers, every one, share the results of this increasing energy. And at lower space rates than before. In 1932, you buy more readers and closer reading, at costs reduced a flat 25%!

Notice that these 1932 rates give *The Digest* a new standing as a mass medium, without changing its position as the leading class publication. At a price of less than \$2 per page per thousand—regardless of the 1932 drama—*The Digest* must fairly be considered for every advertising schedule, on soap and coffee as well as on ocean travel, on cigars and pencils as well as on fine motor cars—on virtually anything.

Always a home and family magazine, *The Digest* has as many women readers as it has men readers. Four great mailings to our subscribers have given us a poll of readers



that is as accurate as human information can be. *The Digest* averages 3.4 readers per copy and as many women as men.

* * *

Why wait? Every week that slips by writes off another lost opportunity. In high times and hard times,



The Digest goes to the largest magazine group of able and active spenders, to families that are always ready to buy—and always able to pay. They are waiting now for your big news for '32. Send it by special messenger!

Quantity—1,400,000 average guaranteed, "or rebate."

Quality—self-selected by active interest in realities.

Economy—25% lower now, less than \$2 per page per thousand. For most advertisers, here is the first buy in the magazine field. Get all the facts—and buy now!

THE LITERARY DIGEST
SOUNDING-BOARD OF AMERICAN OPINION

GMC Exhibits Nationally April 2; New Plymouth and Fords in Wake

NEW YORK—By the time Henry Ford gets that new eight and four on the market, April 9, something may have happened to his prospects. They may be too busy riding around in brand new Chevrolets and Plymouths to investigate his offerings. Or the intensive selling and advertising efforts of these and other motor car makers may have made the public motor-minded again, and Mr. Ford will get his usual share.

Their combined programs are expected to stimulate industry and employment generally.

General Motors and Chrysler, first and third factors in the industry, do not intend to lie around and let Ford take the business. They have been profiting by his delays, and intend to make climactic drives, starting, respectively, April 2 and 3.

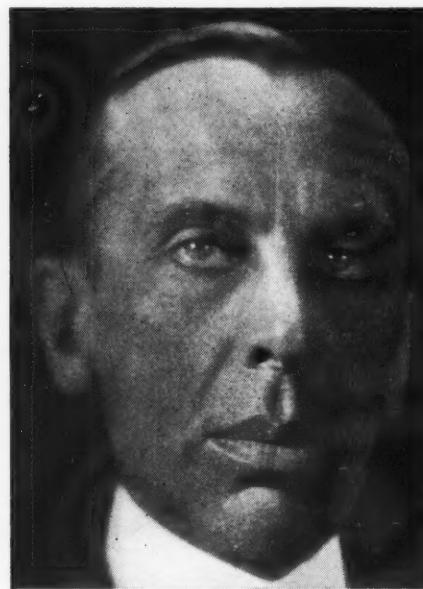
Simultaneous national exhibits in the largest available halls in 55 principal cities—supported by advertising in every major medium—will be held by General Motors April 2-9.

The theme of the exhibits is "Work for Many Hands." These will show various activities of the motor car industry and how it draws raw materials from every state. One hundred and fifty models of General Motors cars will be presented.

In announcing the program, Alfred P. Sloan, Jr., president of General Motors, said: "This program was conceived and has been developed as a direct and aggressive attack upon existing psychology—the prevailing attitude of mind of waiting for something to happen before anything is done."

The investment by the industry of "tens of millions of dollars in new and progressive products," Mr. Sloan added, has resulted in "by far the greatest values ever offered. If this fact could only be appreciated and capitalized by those who are now in a position to do so by purchasing, this industry . . . would broadcast a wave of increased industrial activity which would exert a far-flung influence toward reaching the necessary objective."

"People have heard only half of the news from Detroit," Walter Chrysler said a day or two before. "Not one manufacturer of low-priced cars, but two, at least, have concentrated their engineering brains on the problem of building an automobile to meet the need of the times for more economical motor car transportation.



Underwood & Underwood

Alfred P. Sloan, Jr.

"Last July," Mr. Chrysler said, "this company made its first serious bid as a volume producer of lowest-priced automobiles. By the end of the year—the worst buying year that most people can remember—Plymouth's percentage of the country's automobile business had more than doubled."

Economic Advisers Form Management Company

NEW YORK—Advisory Management Corporation has been established here by a group of business, industrial and financial interests to provide managerial service to corporations, trade associations and individuals.

William P. Barba, former vice-president and general manager of the Midvale Steel Company, now owned by the Baldwin Locomotive Works, is president. Kern Dodge, at present Director of Public Safety of Philadelphia, and W. Clement Moore, consulting cost accountant and business economist, are vice-presidents, and C. E. Knoepfle,* industrial engineer and management counsel, assistant to the president.

The executive staff also includes Fred C. Henke, production division; C. H. Hildesheim, cost accounting division; E. St. Elmo Lewis,* marketing division; and C. Clothier Jones, financial counseling division.

Affiliated is the Investment Research Group of Philadelphia.

*SM contributors.

Gas Rangers, Ranked by Electric Campaign, May Promote More

CLEVELAND—"In spite of reduced rates and trick devices for reducing the amount of current necessary for cooking, there is still a wide differential between the cost of cooking with electricity and with gas in most sections of the country," S. E. Little, vice-president in charge of sales of the American Stove Company, pointed out in the company's *Magic Chef* magazine recently.

American Stove and other large factors in the gas range industry are preparing to combat the cooperative campaign for electric cookery (SM March 19 and February 6), initiated by the National Electrical Manufacturers' Association and the National Electric Light Association.

Mr. Little presented several charts to support his belief.

"The electric rate must be reduced to one cent per kilowatt hour before it begins to approach the cost of manufactured gas at \$1 per thousand cubic feet," he continued. "Cost of operation, of course, is not the only factor the prospect considers. But in territories where there is yet an appreciable difference between the gas and electric rates, the cost advantage should most certainly be capitalized to the utmost. It is a powerful advantage at any time, but particularly now when economy is receiving unusual emphasis.

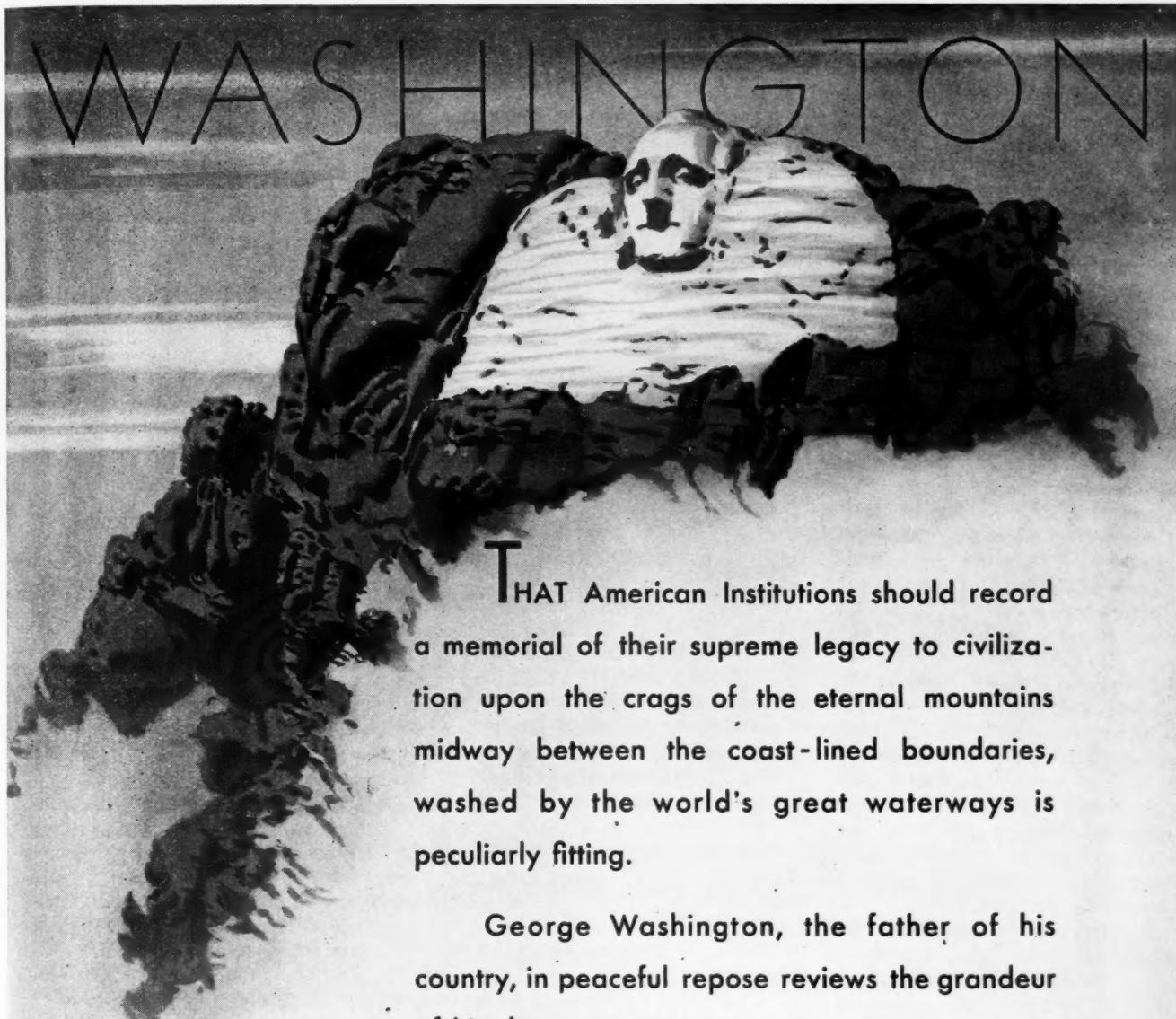
"The necessity for both local and national advertising, the necessity for aggressive promotion of gas cookery must be recognized. The industry realizes the need for spending money in plant improvement, employe education, and public relations. It must also be ready and willing to spend money on gas cooking promotion."

Hat Firms Unite to Launch New Industrial "General"

NORWALK, CONN.—To the corps of holding company "Generals"** comes the General Hat Company, being formed by the merger of Knox Hat Company of Brooklyn with Cavanagh-Dobbs, Inc., here.

John Cavanagh, president of Cavanagh-Dobbs, will be president of the new company, and Samuel Mundheim, until recently president of Stearns Brothers store, New York, chairman.

**Best-known Generals are Motors, Electric and Foods. Others include General Cigar, Candy, Baking, Bronze, Ice Cream, Mills, Paint, Radio, Incinerator, Tire and Spring Bumper.



THAT American Institutions should record a memorial of their supreme legacy to civilization upon the crags of the eternal mountains midway between the coast-lined boundaries, washed by the world's great waterways is peculiarly fitting.

George Washington, the father of his country, in peaceful repose reviews the grandeur of his dreams come true.

The peoples of all lands again deeply concerned in the readjustment of relationships take this opportunity, the Bi-Centennial Anniversary, to recognize the Sterling qualities he alone exemplifies.

"Never did Nature and fortune combine more perfectly to make a man great."

• • •

STERLING ENGRAVING COMPANY, NEW YORK, N.Y.

Photo-Engraving in Color Process, Black and White, Ben Day, Line

304 EAST FORTY-FIFTH STREET . . . TELEPHONES—MURRAY HILL 4-0715 to 0726

American Tobacco Holds Position at Top of the Cigarette Field

NEW YORK—Despite a slight reduction in the unit sales of Lucky Strike cigarettes—its dominant brand—in 1931, American Tobacco Company reported last week a stronger competitive position, an increase of nearly \$2,900,000 in net earnings to a new high record of \$46,189,741, and the unenviable fact that the company is now probably the largest Federal taxpayer, with a total payment for last est advertisers.

The reduction in unit sales was more than offset by a manufacturer's price increase from \$6.40 to \$6.85 per thousand, in effect the last six months of the year. Subtracting the Federal tax of \$6 per thousand, this meant an increase of about 15 per cent in revenue per package—or of 7½ per cent, spread over the entire year. The increase of \$2,900,000, or 7 per cent, therefore, was slightly smaller than the price increase.

In 1930 Lucky Strike's sales volume was 43,000,000,000 units, or about 36 per cent of the nation's total of 119,000,000,000. Last year total cigarette production declined about 5 per cent to 113,000,000,000. It is believed that Lucky Strike accounted for about 38 per cent of this figure.

R. J. Reynolds Tobacco Company, whose Camel brand formerly led Lucky Strike in volume, recently reported an increase in net income from \$34,256,665 in 1930 to \$36,396,817 in 1931, or about \$2,140,000.

In a letter to stockholders accompanying the report, George W. Hill, president of American, intimated that the tobacco industry already is over-taxed (measures are pending in Washington for a still higher tax on tobacco products). "For every dollar of profit our company earned," Mr. Hill said, "we earned, in addition, nearly \$3.50 for the United States Government."

The total collection of tobacco taxes, last year, as reported recently by the Internal Revenue Bureau, amounted to \$424,532,700, a reduction of \$21,000,000 from those of 1930. Cigarettes yielded \$340,397,000; cigars, \$16,389,100, and manufactured tobacco and snuff, \$66,152,900.

Production of five-cent cigars increased last year from 3,861,104,850 to 3,985,688,085. They represented nearly 70 per cent of the total production of 5,625,755,735, as against 29 per cent twelve years before.

Total tobacco consumption declined last year, the Government showed, to the lowest mark since 1927—the per



George Washington Hill

capita consumption now being less than seven pounds annually. The United States, however, still leads the world per capitally speaking. Holland, second, smokes six pounds; Germany, third, four.

Montgomery Ward Seeks Divisional Autonomy

CHICAGO—Montgomery Ward & Company has divided its facilities—both mail order and store—into six regions, headed by sales managers who will have charge of all operations in their respective sections. The stores in each region will in turn be divided into eight to eleven districts, each containing seven to twelve units. Under the regional sales manager will be regional retail and mail order managers.

Sears Draws Multitudes by Selling a Standard Instead of a Price

CHICAGO—Price-mad merchants in a price-mad city in a price-mad year have just received a lesson. Sears, Roebuck & Company, in preparing for the recent opening of its new Loop store used no "price" advertising at all. Every line of copy was "institutional," with the emphasis on the Sears' standard of quality, style and value.

Yet the check of visitors to the store showed: First day, 180,000; second, 110,000; third, 120,000, and since then an average of 75,000. In the first eleven days more than 1,000,000 thronged the store.

The quota of business set for the month was exceeded in the first fifteen days, SALES MANAGEMENT was informed.

Three newspapers were used in the "preparation" for the opening: *News*, 15 pages; *American*, 10 pages; *Tribune*, 7 pages. No other medium. Not until the day after the opening was anything said of prices. Then the price advertising was relegated.

While no film advertising was bought, the Universal News Reel carried a flash of the opening-day crowd to more than 6,000 theatres.

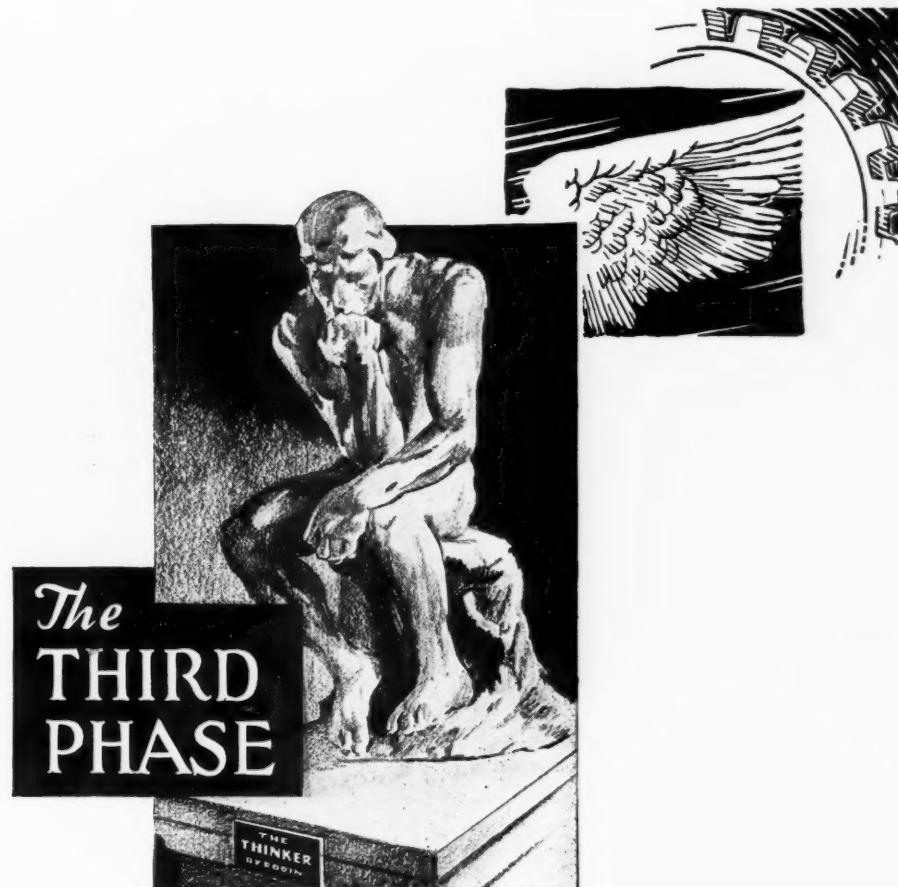
Meanwhile, Sears is planning to invade Greater New York with department stores for the first time. Three \$1,000,000 units will be established this summer at Brooklyn, and at Hackensack and Union City, New Jersey.

Each of the new units will carry about 48,000 items grouped into 12 specialty shops. Each will be of three stories and basement, with free parking space nearby.

The company now has 381 stores.



No Armistice Day: Just a Sears' store opening.



The THIRD PHASE

*S*HREE absorbing conceptions of business have successively dominated America's industry in recent years.

First came Mass Production, giant of nervous energy . . . "Bow down and worship! Riches in my right hand; glory and honor in my left!" That was His story. . . (And we learned about "hustle" from Him).

Then, High-Pressure Selling — cure-all of high-production pains. "Mass Production needs only Mass Distribution," said This One. As simple as that! (But some are still paying His bill).

These Two have ceased to charm. Now comes INTELLIGENT Distribution—brains of the Three. "Produce only within reason; Sell, in such a way that you can sell again; Distribute from strategic locations commanding key territories," — such is His thoughtful message.

* * * * *

Who, in these days of stress, can doubt that herein lies the secret? Enthusiasm no longer flies away with

judgment; we are learning now to place our hits where the hits count.

Economy drives the buyer. Somebody has to pay the freight. Geography is unbeatable; competition razor-edged. — Such conditions rule many an apparently promising territory, where to do business from a far-away location simply does not pay.

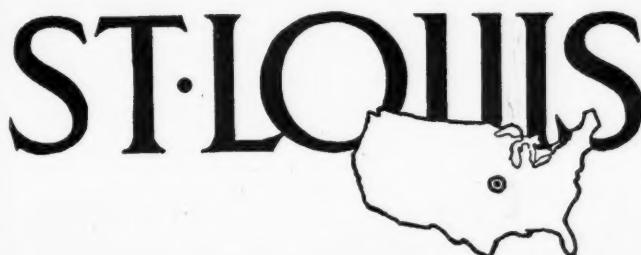
Yet, you "need the business." Then why not go where the business is? Why not, from the few key spots which actually control this nation's vital territories, serve those territories quickly, cheaply, thoroughly, from local warehouse, factory, or sales headquarters?

* * * * *

As the natural key to America's third distribution zone, St. Louis unlocks the door to a huge volume of profitable business. But only so when St. Louis itself is utilized as a center of operations. Why not let its practical business men show you by facts and figures how a location here would profit you?

**INDUSTRIAL BUREAU of the
INDUSTRIAL CLUB of ST. LOUIS
507 Locust Street St. Louis, Mo.**

**Intelligent Distribution
Center of America**



GMC Unites Oakland, Oldsmobile, Buick Sales under I. J. Reuter

NEW YORK—Consolidation of the Oldsmobile division and the Buick division of General Motors Corporation, under the general management of I. J. Reuter, now general manager of the Oakland division, effective April 1, was announced this week by Alfred P. Sloan, Jr., president of GMC. Sales of Buick, Oldsmobile and Pontiac cars also will be united under Mr. Reuter, with Richard H. Grant as vice-president in charge of sales, in addition to his other duties as vice-president of the parent corporation.

"Manufacturing operations of Oakland division," Mr. Sloan said, "will be coordinated with Chevrolet division under W. S. Knudsen, general manager of that division."

The changes are being made "for the purpose of obtaining greater effectiveness in the distribution of certain General Motors products as well as in the manufacture."

Introduce Brick "Coats" to Modernize Homes

STREATOR, ILL.—Under the name of "brickote," a new building material has just been placed on the market by the Streator Clay Manufacturing Company, here. It is made up of thin bricks, a half-inch thick but otherwise of ordinary brick dimensions, set in mastic on a Celotex backing.

The product is being manufactured in panels of twelve bricks and is shipped in bundles of five panels, fifty-five pounds to the panel. Manufacture of the "bricks" is exactly the same as in ordinary bricks, and while for the present the varieties are limited, it is planned soon to have a complete line for selection.

Brickote has insulating value and is applied to the outside of the building being modernized with hammer and nails. Distribution, according to R. H. Green, president, will be exclusively through retailers of lumber and other building materials.

An extensive advertising and sales promotion campaign is planned and the company expects to control manufacture through its patents. Much is being made of the fact that old homes and buildings can be modernized and given the appearance of brick construction at low cost.

NEW YORK—The semi-annual meeting of the Association of National Advertisers will be held at the Netherlands-Plaza Hotel, Cincinnati, May 19-21.

Goodyear Adds Dealers; Rivals Supply 5,445

AKRON—More than 8,000 new dealers have joined the Goodyear Tire & Rubber Company in the last four months, an official of the company announced this week.

Of the total 5,445 were former tire dealers—2,277 having been recruited from Goodyear's leading competitors. Some 1,110 came from competitor number one; 696 from competitor number two, and 471 from competitor number three.

Culbertson to Become Wrigley Radio Star; Sales on Up and Up

CHICAGO—Ely Culbertson is going on the air. He will make his debut in April, sponsored by the William Wrigley, Jr., Company, and will speak two afternoons and one evening each week over the NBC red network. His subject, of course, will be bridge and he will tell how to play it in a manner that will interest not only the expert but the novice as well. Mr. Culbertson was signed for his radio work by the Frances Hooper Agency, which originated that other Wrigley feature, Myrt and Marge. The broadcasts will be sent out from the Wrigley building, Chicago.

Sales of the company for the first two months of 1932 were reported to have been "slightly ahead" of the same months of last year. An enlarged advertising program, the effectiveness of which has been increased by less aggressive promotional efforts by competitors, was an important factor. Officials of the company believe that the \$1 dividend for the present quarter will be fully covered.

Philip K. Wrigley, son of the late William Wrigley, founder of the company, continues as president. William Wrigley's position as chairman of the board has been discontinued. The elder Mr. Wrigley died the last week of January.

Toy Trainman

NEW YORK—Mark Harris, engaged for twenty years in the sale of toy trains—chiefly with the Lionel Corporation—has joined the Ives Corporation as vice-president. Ives has just effected a reorganization in its distribution, with new representatives in the east, south and in Canada, and is planning a campaign in magazines and newspapers.

Enroll Every Employee to Help in "Finding" Electrolux Buyers

EVANSVILLE, IND.—"How would you like to find some extra cash in your next pay envelope?"

With this introduction, Electrolux Refrigerator Sales, Inc., here, has just extended to all its employees an invitation to participate by providing the names of prospects in a "Find the Buyer" campaign.

The employee need only to suggest the names; the sales department will do the rest.

"Eighty-three out of every 100 families are still without automatic refrigerators," the bulletin says. "And at least half of this number, or about 41 out of every 100, can and will buy one if properly sold.

"It would be a good idea to look at our display in the showroom, acquaint yourself with the different models and ask one of the salesmen for the full story and a folder on Electrolux. Then when you talk to your friends you can go into detail about how little it costs to operate an Electrolux and how easy it is to purchase one from our company.

"And remember, we want the names of every one of these prospects to whom you talk. For every time one of these people is sold an Electrolux you receive our special bonus at the end of the month."

Like other leading companies in the automatic refrigeration industry, Electrolux operates on the belief that there is "no substitute for canvassing." Much of the information prepared for salesmen in the "Find the Buyer" campaign is intended to show them how to prepare the way for their call with properly timed direct-mail matter, and how to get leads from satisfied users.

Men Own Two-Thirds of Packard Motors

DETROIT—Of the 106,816 stockholders of the Packard Motor Car Company on March 11, 68,771 or 64.38 per cent were men, 36,796 or 34.45 per cent were women and 1,249 or 1.17 per cent, corporations, an official of the company said today.

The information was prompted by a request from this magazine as to number and types of stockholders for inclusion in an article on "Putting the Stockholders on the Sales Staff" (SM February 27 and March 5).

NOW... A MILLION

Guaranteed Circulation

Beginning with June, 1932, Issue

FAWCETT WOMEN'S GROUP

SCREEN BOOK
HOLLYWOOD
SCREEN PLAY
TRUE CONFESSIONS



Reaching one of the most responsive markets in the world today . . . the younger women of America with their many wants and their well-established habit of getting what they want.

Advertising rates will be increased beginning with June issues. Even at the new rates, this group will be a real buy. . . . BUT

If You Order Before April 15 You Will Get the Greatest Space Bargain of the Year!

Orders for definite space and dates for the remainder of 1932 will be accepted at the old rate if placed before April 15, 1932. With a GUARANTEE of 1,000,000 we expect to deliver a bonus of 200,000 (in accordance with past performance). With this new guaranteed circulation of 1,000,000 . . . at the old advertising rate . . . you get a price of

\$1.19 per Page per Thousand!

There isn't anything in a space buy in this field that even approaches this value. Don't miss it . . . get your orders in at once!

OLD RATES

\$1190.00
794.47
399.36
3.15

ALL FOUR MAGAZINES

Page	\$1700.00
2 Columns	1133.90
Single Column	566.95
Line Rate	4.25

NEW RATES

\$1700.00
1133.90
566.95
4.25

FAWCETT PUBLICATIONS, Inc.

Also publishers of Modern Mechanics and Inventions, Mechanical Package Magazine, Battle Stories, Triple X Western, Startling Detective Adventures, Amateur Golfer

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Phone: Main 7331

CHICAGO OFFICE:
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Phone: State 2955

NEW YORK OFFICE:
52 Vanderbilt Ave.
Phone: Murray Hill 2-1555

LOS ANGELES OFFICE:
1206 S. Maple Ave.
Phone: Prospect 5775

SAN FRANCISCO OFFICE:
1625 Russ Building
Phone: Douglas 4994

Editorials

THE SUPER RACKET: During recent years the leaders of the racket world have found many new ways of preying not only upon individuals, but also upon business. A relatively new form of racket now makes its debut and, strangely enough, it is a direct outgrowth of the depression. . . . Put yourself in the shoes of a branch manager of a tire company. Your establishment is located on one of the main thoroughfares of Chicago. You are sitting at your desk pondering on ways and means of securing some profitable business. Suddenly a dark-complexioned man, quietly dressed, steps up and addresses you. His story runs something like this: "How's business—pretty rotten? Competition is pretty keen, isn't it? The answer seems to be too much price-cutting, doesn't it? No profit left for you or anyone else. Say, would it be worth anything to you if your competitors increased their prices 20 per cent? It would—well, would it be worth \$75 per week? Fine—it will be done. Am I serious? Am I crazy? Well, I will tell you just how serious I am. This morning I talked to three of your competitors and they are all lined up. You ask what will happen to the concern that does not play ball. Oh, that's simple. It will be blown up." . . . In just such a manner one of the supposed lieutenants of Al Capone recently undertook to extract a "pay-off" from the tire business of Chicago. It is very interesting to note that the pay-off was premised upon a constructive service, i. e., the restoration of the local tire business to a profitable basis. Some of our business men have been trying to effect revisions in the Anti-trust laws which would permit some form of price maintenance or price control which will result in the elimination of destructive price competition. Others are trying to work out legally acceptable price agreements which will insure stability, the rate of pay for labor and some return for capital. Others are trying to arrive at a similar result through the simple method of gentlemen agreements. In most fields the measures being pursued by business men to insure profitable sales are producing meagre results. In most cases the excess of supply over the volume of demand is resulting in continuous price-cutting, destruction of business and considerable liquidation. Price reduction in itself is not increasing consumption to a point where consumption keeps pace with production. And so the mad race goes on, rapidly getting nowhere. . . . It would be startling, indeed, if rackets, which constitute our new form of super-government, should prove the means of stabilizing prices on profitable levels for industries as a whole. These are times when company executives will find it wise to subordinate selfish manipulation or personal lack of concern for company profits to full consideration for prices as they affect the returns to stockholders and the rate of

pay for labor. If honest means, legally sanctioned, do not now exist for reinforcing the price structure, to solvent levels, then we must all be prepared to face a further prolonging of the depression.

JUSTICE BRANDEIS: In a recent decision handed down by the United States Supreme Court, Justice Brandeis entered a dissenting opinion of great significance. The case involved the entrance of a relatively small concern in the ice business into a territory already satisfactorily served from a quantitative standpoint by a much larger concern which had been in business for some time before. The larger company sought to protect the profitability of its own position by causing the new competition to be eliminated through legal means on the grounds that no economic justification for the product of its services existed. The Court, as might be expected in line with the American tradition, decided in favor of the small concern, thereby adding more legal sanction to the free right of American citizens to engage in virtually any line of commercial endeavor they may individually elect to follow at any given time. In theory the American people, both in and out of the strictly business sphere, share the viewpoint of the Court. In practice, however, a new issue is arising to confront us all. It cannot be lightly laughed off on either side. It is an issue which is thrown to the fore by the business depression. It is an issue which we can continue to face on a theoretical basis but which we must meet, sooner or later, on a practical basis. . . . Justice Brandeis points out that much of the competition now going on in business is worse than war as regards both effects and consequences. As he says, if we are to allow indiscriminate increase of production in this or that field, regardless of already existing overproduction and consequent elimination of profits, where can we be said to be going in an economic sense? By permitting a multiplication of overproduction, can we hope to keep business solvent and to furnish revenues with which to sustain government in all of its various forms? Justice Brandeis has performed a great public service in focusing attention upon this momentous problem. Something sound and constructive must be done about it. But when Justice Brandeis suggests that the entrance of new concerns into given fields of industry should become a matter of public license, we protest, vigorously, unless and until we can be assured of some system which insures American citizens and American business men from the control of such licenses by politicians, and the "bosses" behind them. It is inconceivable that we permit the political powers to govern the business on such an arbitrary basis.

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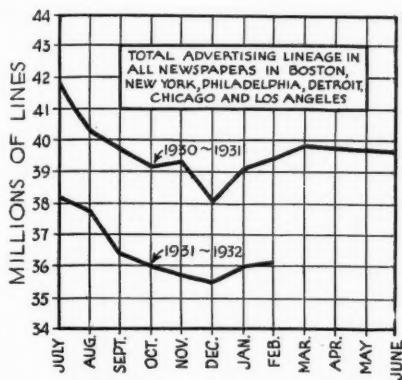
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National Advertising Shows Big Gain in February

Newspaper advertising in the 81 cities surveyed by the SALES MANAGEMENT staff and Media Records, Inc., showed a loss in February of 11.7 per cent from last year, but the six months moving average (see chart below), which eliminates seasonal variations, continued to climb moderately.



Six Months' Moving Average

General advertising (which is national advertising exclusive of automotive) always moves counter to the trend of total newspaper advertising in February. That is, total newspaper advertising is always less in February than in January, and this applies to all classifications except general advertising. Over the four-year period 1928 to 1931, inclusive, general advertising gained an average of 18 per cent in February over January, but this year the gain was 19.7 per cent and the total makes a very good comparison with the more or less normal year of 1928. Retail advertising also made a better comparison with January than it did last year, but automotive and financial showed big declines. The automotive people, after a splurge in December and January, apparently are holding their fire for the big month of April, when Ford is expected to release a big schedule, and the others will join in the competitive scramble.

Out of 346 papers surveyed, 50 or 14.5 per cent showed a gain over last February. Lineage figures which follow, showing advertising activities in leading cities, were compiled by Media Records, Incorporated, supplemented in designated cities by publishers cooperating with SALES MANAGEMENT.

City	February, 1932	February, 1931	P.C. of Gain or Loss
Akron	1,584,053	1,787,311	-11.4
Albany	1,736,274	1,936,706	-10.3
Albuquerque	734,471	762,762	-3.7
Atlanta	1,839,100	2,152,459	-14.5
Atlantic City	478,576	630,842	-24.1
Baltimore	2,861,102	3,107,281	-7.9
Birmingham	1,231,973	1,661,490	-25.8
Boston	4,385,279	4,882,794	-10.1
Buffalo	1,965,584	2,081,921	-5.6
Camden	535,840	615,142	-13.0
Chicago	4,230,072	4,879,053	-13.3
Cincinnati	2,172,915	2,589,161	-16.1
Cleveland	2,359,723	2,746,548	-14.1
Columbus	1,914,289	2,270,427	-15.6
Dallas	2,346,640	2,782,275	-15.6
Dayton	2,080,480	2,169,816	-4.1
Denver	1,358,279	1,473,239	-7.8
Detroit	2,924,754	3,433,937	-14.8
Easton	552,448	648,126	-14.9
El Paso	754,575	811,332	-7.9
Erie	1,008,730	1,163,572	-13.3
Evansville	1,201,582	1,379,052	-12.9
Fall River	413,186	440,640	-6.2
Fort Worth	1,195,421	1,408,498	-15.2
Freeport-Hempstead	539,856	526,593	+2.5
Glens Falls	374,211	422,562	-11.5

City	February, 1932	February, 1931	P.C. of Gain or Loss
Harrisburg	819,990	923,670	-11.2
Hartford	1,608,989	1,762,338	-8.7
Houston	1,793,356	2,261,770	-20.7
Indianapolis	1,999,978	2,280,248	-12.2
Jacksonville	1,004,241	1,087,704	-7.9
*Kansas City	2,254,763	2,445,126	-7.8
Knoxville	926,244	1,035,926	-10.6
Los Angeles	3,797,089	4,242,645	-10.5
Mamaroneck	206,738	173,934	+19.3
Manchester	410,946	373,957	+9.9
Memphis	1,509,128	1,636,307	-7.8
Milwaukee	2,152,499	2,454,934	-12.3
Minneapolis	1,977,230	2,318,008	-17.2
Mt. Vernon	505,713	503,549	+4.3
Nashville	871,898	957,440	-8.9
**Newark	1,193,410	1,305,888	-8.6
New Bedford	736,408	678,169	+8.7
New Rochelle	394,678	441,244	-10.5
New Orleans	2,478,864	2,544,818	-2.5
†New York	10,233,440	10,988,201	-6.8
Niagara Falls	505,196	552,912	-8.6
Oakland	1,495,929	1,742,500	-14.1
Oklahoma City	1,377,207	1,727,112	-20.9
Omaha	1,367,638	1,518,153	-14.1
Peoria	1,812,135	2,041,101	-12.0
Perth Amboy	320,843	380,519	-9.9
Philadelphia	4,535,115	4,856,683	-11.2
Phoenix	940,065	1,323,254	-29.0
Pittsburgh	2,875,763	3,393,208	-15.6
Port Chester	360,477	378,172	-5.8
Portland	1,617,586	1,869,438	-13.9
Providence	1,717,697	1,947,392	-12.0
Reading	1,085,113	1,255,191	-14.1
Richmond	1,272,938	1,440,799	-11.9
Rochester	2,333,126	2,573,396	-9.6
St. Louis	2,846,818	3,087,159	-8.0
Salt Lake City	1,286,983	1,528,143	-18.0
San Antonio	1,796,624	2,216,534	-19.0
San Diego	1,780,012	2,090,186	-15.5
San Francisco	2,876,703	3,268,771	-12.3
Seattle	1,854,369	2,273,376	-19.0
South Bend	1,127,426	1,376,614	-18.7
Spokane	1,233,819	1,408,402	-12.4
Syracuse	1,825,050	1,893,831	-3.7
Tacoma	1,111,161	1,426,506	-22.5
Toledo	1,340,775	1,875,444	-29.6
Trenton	639,399	710,991	-10.0
Tulsa	1,070,168	1,422,072	-25.0
Washington	3,491,010	3,463,546	+7
White Plains	730,199	822,072	-11.0
Wichita	1,463,683	1,852,661	-21.5
Wilkes-Barre	1,796,049	2,138,076	-16.2
Worcester	1,471,760	1,645,131	-10.8
Yonkers	832,339	757,422	+9.2
Youngstown	1,060,978	1,388,994	-25.2
Total	134,907,168	152,825,174	-11.7

*Furnished by *Star*.

**Furnished by *Evening News*.

†Bronx Home News furnished direct.

Kraft '32 Sales Plan to Develop Better Dealers

(Continued from page 460)

Texas, doing a business of about \$100 a week, sold \$851 worth of cheese in nine days.

T. E. Burns Company, Knoxville, Tennessee, which had averaged \$57.50 a week, sold more than \$800 worth in seven days and for the four weeks after the mass display averaged \$94.87 and then went up to an average of \$102.68 for the next four weeks.

Ferguson's market, New Rochelle, New York, sales averaging \$74.41 a week, sold \$1,128.99 in seven days. After the display averaged \$140.71.

M. Cooper, Chicago, averaging about \$15 a week, sold \$158.12 in ten days of special effort.

"Dealer reaction?" said Mr. Platt. "Let your mind and imagination work."

Two Cents Each... but not for long

. . . because there are only a few left of each of the following page reprints from SALES MANAGEMENT:

"The Golden Hour of Selling"

"The Greatest Sport in the World"

"They Called Him 'The Butcher'"

"Jobs"

"Just How Dumb Was J. C. Penney?"

"It's the Next Shot That Counts"

"Till the Untilled Places"

"There's Money in Doorbells"

"We Need More Second- and Third-Wind Men"

These are all pithy, pointed messages designed for mailings to salesmen.

. . . Here's an opportunity to purchase the popular series from SALES MANAGEMENT, reprinted in booklet form:

"TIP-TOP SALESMEN I HAVE MET"

by Ray Comyns

Single copies 25 cents; in quantities of 50 or more at 20 cents a copy.

Also available at three cents each, reprints of

"HAS INDUSTRY GONE PRICE CRAZY?"

by C. D. Garretson

Please forward your remittance to

SALES MANAGEMENT

420 Lexington Avenue

NEW YORK

Media and Agencies

We'd just about gotten under way with a little private investigation into the effectiveness of comic strip advertising when we heard about Hawley Turner's recent discourse on the same subject before the Technical Publicity Association. Our sleuthing had turned up some interesting facts, but when we saw the copy of Mr. Turner's speech we knew our work was done; putting the pieces together presents a picture of what a few successful advertisers have accomplished, why and how they did it.

We'll take the experience of the Vick Chemical Company first. After Mr. Turner had sold the vice-president in charge of advertising of the Vick Chemical Company on replacing a carefully prepared display advertising campaign with one based on "comic" copy, he asked Mr. Pryor how many coupons he'd be satisfied with. Mr. Pryor modestly replied, "I'm a pretty good guesser—but it ought to pull from 10,000 to 18,000 returns." Of course Mr. Pryor's estimate was based on his previous experience with conventional display copy. In eight days the campaign had brought down upon them 118,000 coupons—100,000 more than their highest hopes—and before the campaign had run its course the figure mounted to 165,000. Mr. Turner admits that "coupons are one thing—what did it do from the standpoint of selling merchandise?" The Vick Chemical Company reports that the sale of one of the items which the campaign was used to introduce runs 100 per cent over estimates. Sales on the second new number in the Vick line are running 50 per cent over estimates.

The Vick Chemical Company is one of the large advertisers who are succeeding in reducing the reader interest differential between advertising and the most popular editorial features of the day. It probably made a lot of advertisers feel pretty bad to learn from Dr. George Gallup that only three out of every 100 persons who buy a newspaper or magazine read the average advertisement. At that, it pays—but those ninety-seven other impervious ones are tantalized to the determined advertiser. Dr. Gallup also revealed the fact that about 90 per cent of the purchasers of newspapers read the picture page. About 70 per cent of them read the comic strips; around 50 per cent read cartoons. Many of the largest advertisers have translated these peaks of readership into the new "comic" copy technique, which incorporates the fundamental interest elements of entertainment continuity, and "third person" treatment.

On the other hand, a couple of the more cautious users of comic copy tell us they're taking it slowly—there's always the danger of its being overdone.

General Foods, you remember, tried it out first on Grape Nuts. Poor Grape Nuts was the puny member of the General Foods family, and after years of nursing it along it was in a fair way of meeting an untimely end. Then its advertising was given the comic strip treatment, and though Mr. Butler won't divulge figures, the rumors of Grape Nuts' demise have faded out. The fact that Postum was next subjected

to cartoon copy would appear to testify to General Foods' satisfaction with the experiment on Grape Nuts. Jell-O came next, then Minute Tapioca, and pretty soon General Foods will launch a straight entertainment copy campaign on Post Toasties. This will be tied up with the "Real Folks" radio program, the success of which gave General Foods its copy cue. No selling will be attempted in the advertisements, which will be patterned after the manner of radio announcement—"sponsored by"—and sheer entertainment. Can it be that the grown-up media might yet learn something from the bad boy of the advertising business—radio? General Foods tell us that their comic campaigns for Postum in magazines were even more effective than those in newspapers—which left them less than nothing to kick about.

* * *

The reluctance of department stores to feature, in either advertising or display, the nationally advertised products in their stock is an old story to the harassed advertiser. Along comes *Woman's Home Companion*—with a following so vast, and a name so good, that department stores find it profitable to cooperate with it in pushing nationally advertised as well as unadvertised merchandise. *W. H. C.* has effected an arrangement with each of four of the leading department stores in eight cities (New York, Chicago, Philadelphia, Hartford, Boston, Minneapolis, Baltimore, Detroit), whereby Jean Abbey, *W. H. C.*'s shopper, broadcasts the outstanding values and items of interest carried by one of the stores during that week. The broadcasts for each store rotate, so that each has a program devoted to it once a month. Thus *Woman's Home Companion* is sponsoring thirty-two broadcasts a month, in which the department stores come in for valuable sales promotion, while the national advertisers whose products are recommended derive a tremendous plus-value from their advertising in *W. H. C.* Aside from the direct sales influence of the broadcasts themselves, advertisers are finding, many of them for the first time, that the department stores are featuring the items chosen for *W. H. C.* broadcast purposes as they never did before—both in the way of elaborate window, counter and floor displays, and in their own store copy. The *Woman's Home Companion* shopping hour will be introduced in New York over Station WOR on March 30. Wanamaker's will be the first store featured on the New York broadcasts, Stern's, Lord & Taylor's and B. Altman's being the others on the New York list.

* * *

Lord & Thomas and Logan is eager to keep its finger on the pulse of slipping circulations—and the A. B. C. reports are too slow in coming. A lot of circulation can run through the sluices in six months, and advertisers can't wait that long to know where they stand in the way of coverage. So Lord & Thomas and Logan have taken this means to protect itself and its clients: "No payment is to be made to any publication for any advertising in the subsequent month unless its report

covering the circulation of the previous month's issue has been submitted with the bill covering the advertising in the subsequent month. In other words, any advertising in a May issue will not be paid unless the bill for that advertising is submitted together with a report of circulation covering the April issue." Somebody's going to get hurt!

* * *

Are They Listening? The Bureau of Advertising of the American Newspaper Publishers' Association has gone out to prove to its own satisfaction just how strong the competition is in the field of radio advertising. Two hundred and thirty members of the Newspaper Publishers' Association cooperated in the making of this survey, by putting in telephone calls to 28,947 homes to inquire into broadcast advertising coverage. The calls were made in the evening, and the questions asked were:

1. "Do you own a radio?"
2. "Are you listening to your radio this evening?"
3. "To what station are you listening?"
4. "What is the program supposed to advertise?"

Walter Mann will tell about the findings of the survey in an early issue of Survey of Surveys.

* * *

Liberty's bleeding! For the most part, only luxury and foreign magazines have offered its advertisers the advantages of "bleeding" on all four sides of a rotogravure advertisement. The "bleed" affords the advertiser more than a third of a page more copy area . . . on double spreads, more than two-thirds of a page.

* * *

Among the few new magazines braving the dark era is *Sportswear*—first issue out March 15.

* * *

Account changes: the National Electric Cookery Council, organized to sponsor a three-year sustained program to increase the use of electricity for cooking, has appointed J. Walter Thompson as advertising counsel; the H. Clay Glover Company to H. E. Lesan Advertising Agency; the Citizens' Casualty Insurance Company to Moser, Cotins & Brown, Inc.; Mandeville & King Company to the Griswold Company for radio broadcasting; the Henry Trading Corporation, James Van Dyke Company, Janes & Kirtland and H. B. Cushman to Lyman Irish & Co., Inc.

* * *

Personnel changes: J. Mora Boyle, erstwhile vice-president of the New York *Mirror*, returns to the Kansas City *Journal-Post* as vice-president in charge of advertising. . . . Werner B. Schmidt has joined the Geyer Company of Dayton as art director. . . . Harold A. Maguire is now representing the Haire Publications in the middle west territory.

* * *

Miscellaneous: Harry E. Lesan, president of the H. E. Lesan Advertising Agency, died on March 18. . . . Roger T. Stone, Lawrence H. Stevens and Harborough I. Lill, of the Chambers Agency, have organized a new agency under the name of Stone, Stevens & Lill, Inc., New Orleans.



These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media

American Press Association Survey of Retail Sales and Unemployment Conditions in 700 Country Towns. In this survey the American Press Association presents, in tabular form, sales and unemployment conditions in thirty-eight states. Each state is dealt with separately, the number of towns surveyed given, the number in which farming, manufacturing or both is the principal industry, the number of towns reporting 10 per cent or more unemployment, number of towns reporting less than 10 per cent, and average percentage of unemployment for each state. (There are even towns reporting increase in employment.) The lines suffering a slump in retail sales and those enjoying good sales are indicated.

The commodities analyzed for sales status are: Jewelry, movies, autos, clothing, furniture, hardware, dry goods, radio, farm machinery, building material, drugs, luxuries, groceries, garages, tobacco products, shoes, gas and oil, general lines, electric refrigeration, auto accessories, necessities. Because local advertising volume is considered an index to local sales conditions, there is a column showing local advertising volume in 1931 compared with former years (less, more, same). One interesting fact brought out by the survey is that in nearly every instance the percentage of unemployment is lowest in states in which the number of rural towns is largest.

Paper

Westvaco Inspirations for Printers. Number 73 of Westvaco's wonderful series on brilliant advertising campaigns is just out. A joy just to look at the pictures. A wonder to see what can be done with color these days, and full of ideas for printing, color, layout and illustration for those who recognize an idea when they see one.

Neenah Sample Sets. The Neenah Paper Company gets out complete sample sets of their papers for every purpose. The samples are inserted in folders describing their advantages for the purposes for which they are intended. An excellent thing to send for if you're contemplating a change in stationery, office forms, records, etc.

Materials

Nickel's Worth. Infinitely more than a nickel's worth of informative entertainment by Floyd Gibbons all about a metal. If you like Floyd Gibbons' staccato, intelligent style, you'll want to read this little booklet just for that. Fifteen little pages of information on the far-flung uses of the homely metal, such as you'll never find again presented in such a thoroughly readable, engaging fashion. Issued by the International Nickel Company.

SALES CONTROL MAP BIG HELP IN ROUTING BEST MARKETS, EXECUTIVES SAY

See-at-a-Glance Symbols and Population Grouping
Popular Features

SPOTS ALL CENTERS OF 10,000 POPULATION BASED ON LATEST CENSUS

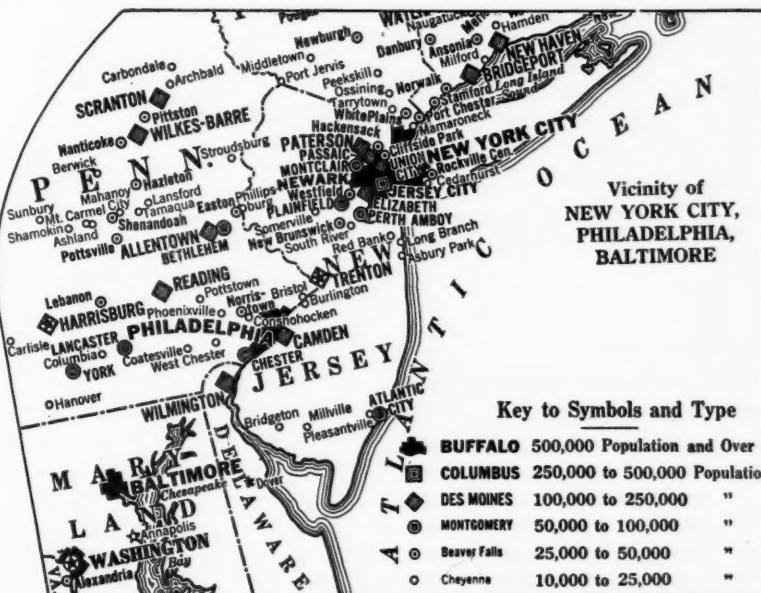
The Sales Control Map which SALES MANAGEMENT illustrated and described two weeks ago has met with a popular response from readers.

Among the firms which have ordered copies for sales or advertising use are Lehn and Fink; Bessemer Cement Corp.; DuPont Rayon Co.; Crystal Chemical Co.; Outdoor Advertising, Inc.; The Todd Co.; International Magazine Co.; Chas. H. Phillips Chemical Co.; International Business Machines Corp.; The Kotex Co.; Estate Stove Co. and Pepperell Manufacturing Co.

lation of a city from one census classification to the class above.

As examples of TRUE population as against CENSUS population, Washington, D. C., has a population of 486,869, and technically belongs in Class 2, but the immediate suburban area rightfully puts it in Class 1 (cities of 500,000 or more) and that is how it shows up on this map. Wilkes-Barre has a census population of 86,626, but the nest of immediately adjacent small towns around it makes its true population above 100,000.

Executives who are using the map tell



Copyrighted 1932 by the Mapdraft Company

This new Sales Control Map gives the exact location and comparative population importance of 1,134 cities in the U. S. A. and Canada. Finely lithographed on a heavy quality of bond paper; size 44 x 30 inches. Price, postpaid, in mailing tube, \$3.50. Use coupon below.

As shown by the reproduction above of one small, congested area in the East (greatly reduced), the new Sales Control Map gives both by graded type and see-at-a-glance symbols the relative importance of city areas. The census figures were used as a BASE, but attention was given to the immediate suburban areas which so often transfer the TRUE popu-

us that they find it extremely helpful in locating density and mass purchasing power at a glance, for marking off jobbing territories, for setting up new territories for salesmen based on latest population, retail sales and income reports, for operating map tack systems, for visualizing distribution of retail outlets, etc.

SALES MANAGEMENT, INC.,
420 Lexington Avenue, New York, N. Y.

We enclose check for \$3.50 for which send us postpaid one copy of the SALES CONTROL MAP.

Company

Street

City State.....

Mark for attention

Quaker State Promotes Quality with "Insured Performance"

(Continued from page 461)

Mr. Koch explained why—and outlined the reasons for the campaign:

"The oil industry is highly competitive," he said. "Before the motoring public are continually placed claims as to the merits of hundreds of different lubricating oils and greases. There is no question but that it has become increasingly difficult for the refiner to bring home to the motorist through advertising in any form, proof regarding the quality of his products.

"The Quaker State Company could, of course, have resorted to one of the more obvious methods of proving claims. Testimonials from satisfied car owners might have sufficed. A fleet of automobiles running about the country might have furnished a news source for a series of national advertisements tending to prove the quality of Quaker State lubricants under varying conditions. Reports in the form of graphs and charts from testing laboratories could have been made interesting by clever copy writers.

"Instead, however, we have chosen to forget all about the so-called 'refining story' in our national copy.

"The stress is put not upon the oils and greases themselves, but upon their performance in actual use in the owner's car. The motorist, it is hoped, will be persuaded to adopt Quaker State as his exclusive brand for his car, not only in order that the bearings may be protected under the terms of the Quaker State Insured Guarantee, but because 'oils and greases good enough to insure are best for your car.'

"This method simplifies the advertising task. No longer need the copy writer strain his imagination to effect an interesting story. The copy almost writes itself.

"We intend to do everything possible to deserve and to maintain the reputation of our products," Mr. Koch continued. "But quality alone cannot do it, without regular and thorough service. Performance, of course, is the combination of both. This means not only steady prices for dealers and dependable repeat business, but satisfied customers. The 'Insured Lubrication' plan has been evolved not only to keep our distributing organization functioning profitably but to lift Quaker State products definitely out of the ruck of price competition and the public's fear of inferiority of product, which so often attends it.

"The quality of motor lubricants must be proportionate with their responsibility. The difference of a few cents in *price* may mean to the motorist a difference of a number of dollars in *cost*, inconvenience and even danger.

"Our ability to maintain sales volume and distributing organization in the last few years is evidence, I think, of the extent of the faith in our products. In the United States, Canada and Mexico today we have more outlets than any other independent oil refiner. Though our oil comes from Pennsylvania, it is interesting to note that thousands of our dealers are located in such larger oil-producing centers as Texas, Oklahoma and California. People know oil in these localities. Their preference for home products is as strong as their reason will permit.

"We believe that the 'Insured Lubrication' plan will do much to enhance this faith. We are addressing the public not in terms of *us* but of *them*. The service angle predominates.

"Insured performance in this and other lines of business could do much to increase the public's faith, and to loosen their purse-strings, in these price-shot times."

To Select "Outstanding" Trade Association of '31

NEW YORK—Robert P. Lamont, Secretary of Commerce, will announce, at a dinner to the American Trade Association Executives at the Waldorf-Astoria here, April 5, the association adjudged to have performed the most outstanding achievements last year. Fifteen associations are seeking the award.

The jury comprises Secretary Lamont, Walter Dill Scott, president of Northwestern University; Merle Thorpe, of *Nation's Business*; Owen D. Young, General Electric Company, and Francis P. Sisson, National City Bank of New York.

Duncan Joins Ohmer

DAYTON—L. O. Duncan, formerly sales manager and vice-president of the Grand Rapids Store Equipment Corporation, Grand Rapids, Michigan, has joined the Ohmer Fare Register Company, here, to take charge of sales for the Cleveland district, with headquarters at 1643 Superior Avenue, there.

From Straight Salary to a Commission Plan

(Continued from page 464)

can look forward to larger and larger earnings on a commission basis as business improves and you build up your trade."

The temporary feature of the cash allowance has already been emphasized. It is a voluntary one in that the company allows it purely as additional compensation to keep faith with the salesmen while making the change from salary and expenses to straight commission and drawing account; and it is a non-chargeable one because it is not charged to the salesman's account and is not an extra expense to the company, inasmuch as it is paying the salesman only at the same rate he was compensated last year.

At the same time, this cash allowance obviously is the spur that may be used to prod the salesman who might require some urging to strive to reach the goal set for him—the ideal costs on which his commission rates are based. Being a voluntary one, it may be reduced or discontinued at any time and he has been told frankly that it will be reduced gradually until it is eliminated entirely. He must begin to earn a satisfactory income on straight commission as soon as possible.

The cash allowances to salesmen vary from about \$25 to \$150 a month.

Each salesman is given a drawing account equal to approximately 75 per cent of his previous year's salary and expenses. This is payable twice a month, together with his cash allowance. At the end of the month we figure up his commissions and settle with him. His cash allowance is not considered at all in computing commissions earned—it is just added to whatever he has coming.

Salesmen bear all their own expenses under the new plan, thus eliminating a great deal of bookkeeping and, perhaps, encouraging them to reduce expenses.

From the viewpoint of the company, the plan tends to reduce our selling costs, directs attention to our most profitable lines, evens up territories, eliminates expense accounts and provides a powerful incentive for each salesman to exert himself to the utmost in helping us attain an ultimate ideal.

While it is quite possible that some of the salesmen may come to earn large incomes on the commission plan, we shall be most happy if they do, because that will mean that our selling costs in their territories have been reduced to the ideal which we now look forward to attaining.

How 40 Men Spent \$4.00 Last Week

Individuals and companies are trimming expenses in line with reduced income. The tendency is to make no unnecessary investments, even on trifling an expense as a magazine subscription.

But SALES MANAGEMENT's current subscription returns are at the highest rate in more than two years!

One executive, for example, in sending in his renewal check, wrote, "I probably will get along without a lot of things this year—but not SALES MANAGEMENT." In the column at the right are names of some of the executives who have said during the past week, "here's four dollars—send me SALES MANAGEMENT."

SALES *management*

Subscribed to by more executives of firms that advertise than any other sales and/or advertising magazine.

CADILLAC MOTOR COMPANY
J. C. Chick, Sales Manager
U. S. RUBBER COMPANY
E. S. Busdieker, Sales Manager
PIERCE-ARROW MOTOR CAR COMPANY
T. L. Preble, Sales Manager
ADDRESSOGRAPH-MULTIGRAPH COMPANY
J. E. Rogers, President
INDIANA LIMESTONE COMPANY
A. E. Dickinson, President
COLLEGE INN FOOD PRODUCTS COMPANY
Ernest Byfield, President
AMERICAN THERMOS BOTTLE COMPANY
James W. Neil, Vice President
CORTECELLI SILK COMPANY
J. S. Lipser, Vice President
J. J. COLMAN, U. S. A., LIMITED
Wm. R. Knott, Sales Manager
R. T. FRENCH COMPANY
W. L. Coryell, Sales Manager

« « «

ALPHA PORTLAND CEMENT COMPANY
J. E. Sweitzer, Sales Planning Manager
JOHN LUCAS & COMPANY
F. F. Whittam, Sales Manager
THE SWARTZBAUGH MANUFACTURING COMPANY
T. B. Swartzbaugh, Secretary
WILL & BAUMER CANDLE COMPANY
Eric W. Will, Sales Manager
COMBUSTIONEER, INCORPORATED
C. W. Glass, Vice President
PABST CORP.
Ray Weber, Advertising Manager
ROBERT A. JOHNSTON COMPANY
Wilson C. Rich, Sales Manager
THE BAYER COMPANY
W. R. Fesler, Director of Sales
HOFFMAN BEVERAGE COMPANY
W. G. Hoffman, President
CONTINENTAL OIL COMPANY
B. H. Markham, Comptroller

« « «

THE STANLEY WORKS
C. F. Bennett, President
FULLER BRUSH COMPANY
Wallace E. Campbell, Secretary
ROUND OAK FURNACE COMPANY
W. J. Fickinger, President
THE MOTO-MOWER COMPANY
E. S. George, President
WAMSUTTA MILLS
D. F. Horne, Advertising Manager
HOLYOKE HEATER COMPANY
George C. Gill, President
THE FISK TIRE COMPANY
E. S. Burke, Vice President
NOXEMA CHEMICAL COMPANY
Geo. A. Bunting, President
ONE MINUTE WASHER COMPANY
Chas. Eveland, Sales Manager
BURGESS BATTERY COMPANY
L. R. Baker, Sales Manager

« « «

WILDROOT COMPANY
H. R. Shehan, Vice President
LOFT CANDY COMPANY
Charles G. Guth, President
INTERNATIONAL SAFETY RAZOR COMPANY
A. H. Bryant, President
MAVIS BOTTLING COMPANY
J. M. Elliott, President
METROPOLITAN LIFE INSURANCE COMPANY
Henry E. North, Vice President
CALIFORNIA PACKING CORPORATION
R. L. Pratt, Sales Manager
HARTMAN TRUNK COMPANY
W. C. Chestnut, Sales Manager
ALL AMERICA MOHAWK COMPANY
Chas. A. Green, Advertising Manager
DENNEY TAG COMPANY
G. G. Cornwell, Sales Manager
FRIGIDAIRE CORPORATION
Sales Planning Department



+++ PRODUCTION OF ELECTRICITY in the week ending March 12 increased 1.2 per cent over the preceding week.

+++ BANK CLEARINGS outside New York City gained 2.5 per cent last week over the preceding week.

+++ BUILDING PERMITS issued in February gained 4.4 per cent in number over January.

+++ EARNINGS OF AMERICAN TOBACCO COMPANY, makers of Lucky Strikes, were more than 46 million dollars last year, a new all-time high.

+++ THE CITY OF DALLAS last week had the honor of being the only city in the country where bank clearings were greater than the same week last year.

+++ UNFILLED RETAIL ORDERS OF NASH Motors Company have increased 418 per cent since February 27.

+++ THE MACFADDEN NEWSPAPERS CORPORATION declared a 25 cent dividend on the common stock. It had paid 15 cents previously.

+++ SIXTY-NINE NEW INDUSTRIES IN ILLINOIS, outside of Chicago, were established in 1931, with annual payrolls of seven million dollars. The payroll is almost double that of the new industries started the year previous.

+++ BENDIX AVIATION CORPORATION, leading manufacturer of automotive and airplane products and accessories, reports a net profit of \$1,555,478 for 1931, or 74 cents a share, as compared with a net profit of \$1,183,860, or 56 cents a share, in 1930. Bendix is an affiliate of General Motors.

+++ THE KOLSTER RADIO CORPORATION, Newark, added 100 men last week to its assembling plant.

+++ OMAHA WILL SPEND \$5,500,000 this spring for new structures and for repairs and improvements.

+++ SHOE OUTPUT IN JANUARY was

• Building Specialties Manufacturer

wants experienced advertising and promotion man with proved ability in building field. To plan and execute campaigns, handle layout copy for catalogs, direct mail, magazines; edit salesmen's bulletins, conduct sales contests, sell by mail. Want a man who knows this field.

Write stating age, experience, salary needs. Location, Ohio. Be prepared to submit samples of work.

Box 338, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

7 per cent ahead of December and 5 per cent ahead of last January.

+++ PASSENGERS CARRIED by United Air Lines in February totaled 3,546 as compared with 3,036 in January and 1,682 a year ago.

+++ SAN FRANCISCO EMPLOYMENT increased 4.2 per cent in February over January, and payrolls were up 3.8 per cent.

+++ RETAIL SALES OF REO speed-wagons and trucks in February gained 34 per cent over a year ago. Their commercial car sales have bettered the previous year's figures for seven consecutive months.

+++ COCA COLA'S PRESIDENT WOODRUFF, commenting on the 1931 record-breaking net earnings, said that all operating expenses were cut except advertising, which was increased appreciably.

+++ OUR EXPORTS IN FEBRUARY were greater than in January—the first time this has happened since 1916.

+++ BRADSTREET'S FOOD INDEX last week rose to \$1.83—the highest point since the middle of January, and a gain of 2.2 per cent over the second week in March.

+++ ELECTRIC REFRIGERATOR SALESMEN sold 965,000 household units last year, and the 1932 trend continues up.

+++ BUILDING PERMITS IN THE FIRST TWO MONTHS OF THE YEAR WERE GREATER THAN IN 1931 in the following cities: *New England*: Cambridge, Fall River, Hartford, West Hartford, Manchester, Portland, Salem, Somerville. *Middle Atlantic*: Richmond Borough (New York City), Albany, Allentown, Auburn, Binghamton, Camden, Elmira, New Brunswick,

Reading, Scranton, Troy, Watertown, Wilkes-Barre, Williamsport. *South Atlantic*: Jacksonville, Lynchburg, Macon, Miami Beach, Norfolk, Roanoke, Winston-Salem. *Central*: Cincinnati, Cleveland, Evanston, Fort Wayne, South Bend, Springfield. *South Central*: Austin, Montgomery, Muskogee, Waco, Wichita Falls. *Northwestern*: Duluth. *Mountain*: Butte. *Pacific*: Bakersfield, Long Beach, Seattle, Stockton.

+++ THE NEW YORK CENTRAL LINES will release this week orders for 30,000 tons of steel rails.

+++ SEARS, ROEBUCK & COMPANY in the next year will erect three department stores in the New York metropolitan area, at a cost of 3 million dollars. Employment will be given to 700 building workers. W. T. Grant Company, for the fiscal year ending January 31, reports sales of 75 million dollars, an increase of 6 per cent over 1930, and has signed leases for possession during 1932 of 34 new stores in 16 states.

+++ THE DEPARTMENT OF AGRICULTURE estimates that funds available for public road and bridge construction and maintenance in 1932 will amount to \$1,353,000,000.

+++ COLUMBIA BROADCASTING SYSTEM earned \$2,346,766 last year, compared with \$874,716 in 1930, and \$480,155 in 1929.

+++ GENERAL MOTORS CORPORATION on April 2 will launch the most gigantic program ever attempted by any company to stimulate business, when it opens, simultaneously, exhibits of its products in largest available auditoriums in fifty-five leading cities, supported by advertising campaigns in all major media.

Personal Service and Supplies

**Classified Rates: 50c a line of seven words; minimum \$3.00. No display
Cash Basis Only. Remittance Must Accompany Order**

EXPORT-IMPORT REPRESENTATION

TWO BUSINESS MEN (AMERICAN AND German) going for several months to: England, France, Belgium, Holland and Germany (if desired to any other European country), with excellent business and social connections, are willing to transact business on a fee or commission basis for reliable American export or import house, industry, law or accounting firm, advertising agencies.

Investigate markets, contact dealers or distributors, check and assist established representatives, establish sales or purchase agencies and act generally as American representative to adjust claims and smooth out controversies of any kind with European concerns. Undertake collections of above-board outstanding accounts.

References gladly exchanged. One has 12 years of sales promotion, market research, collection and accounting experience; the other 12 years of import and export experience. Please address William Frank, c/o Lincoln Hotel, New York City, N. Y.

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing

and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

SALESMEN WANTED

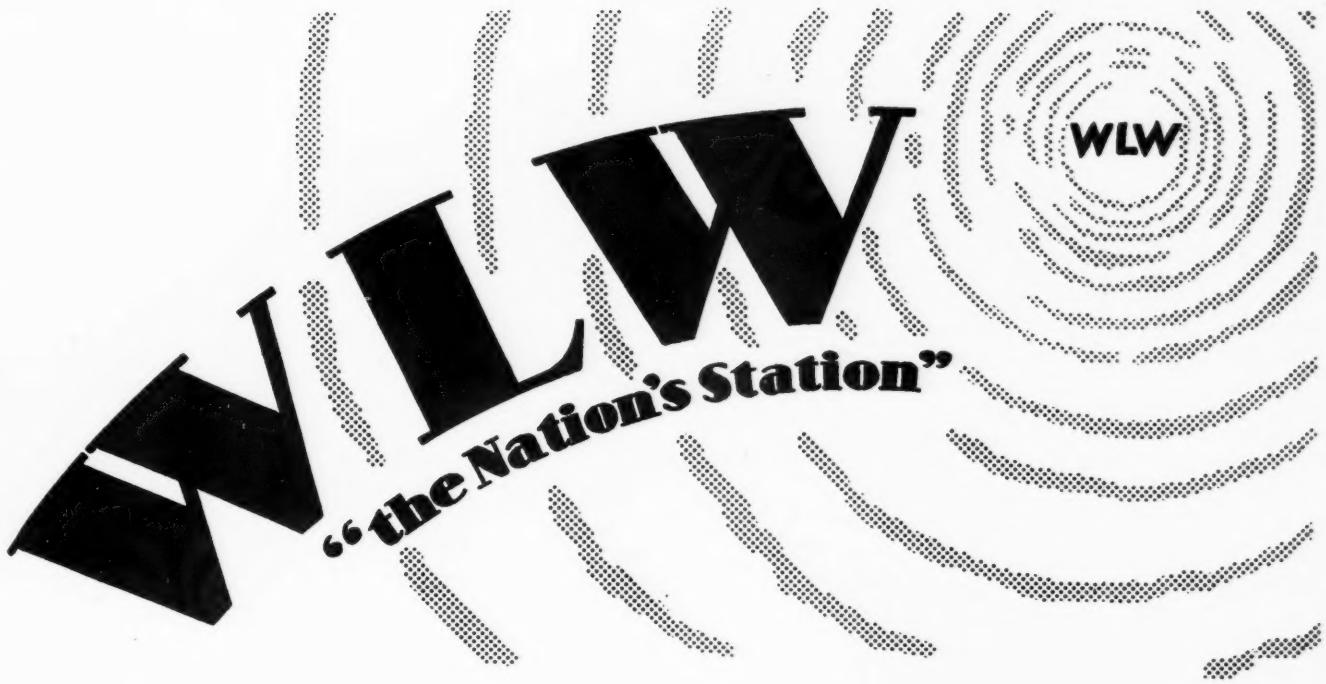
WANTED — BANK SALESMEN FOR THE famous FLAT LAY ROLL RING BINDER, also a full line of Pass Books and Check Covers for banks. The Pass Book and Check Cover Company, 232 Broadway, Denver, Colorado.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

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J. J. GIBBONS Limited, Canadian Advertising Agents
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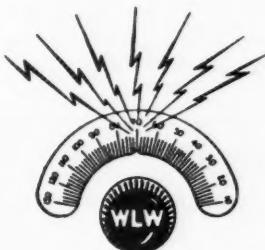
In Ever-Widening Circles the Voice of WLW Goes Out to Waiting Millions

Located near the center of population—powered by 50,000 watts—operating on a clear channel with 100% modulation, WLW reaches out to the rich, industrial and farm market of Ohio, Indiana, Kentucky and West Virginia. By careful and extensive research we know that WLW is the PREFERRED radio station in this highly receptive and profitable market. This means that the advertisers' message is heard and heeded by waiting millions who are willing and able to buy. Our free 48-page brochure gives the whole WLW story in facts, figures and illustrations. Send for it.



You've probably heard the rich, mellow, appealing voice of "Ramona" over WLW. As a "blues" singer she is unexcelled. This lovely lady is typical of the splendid feminine talent at WLW.

Near the Center
of the dial



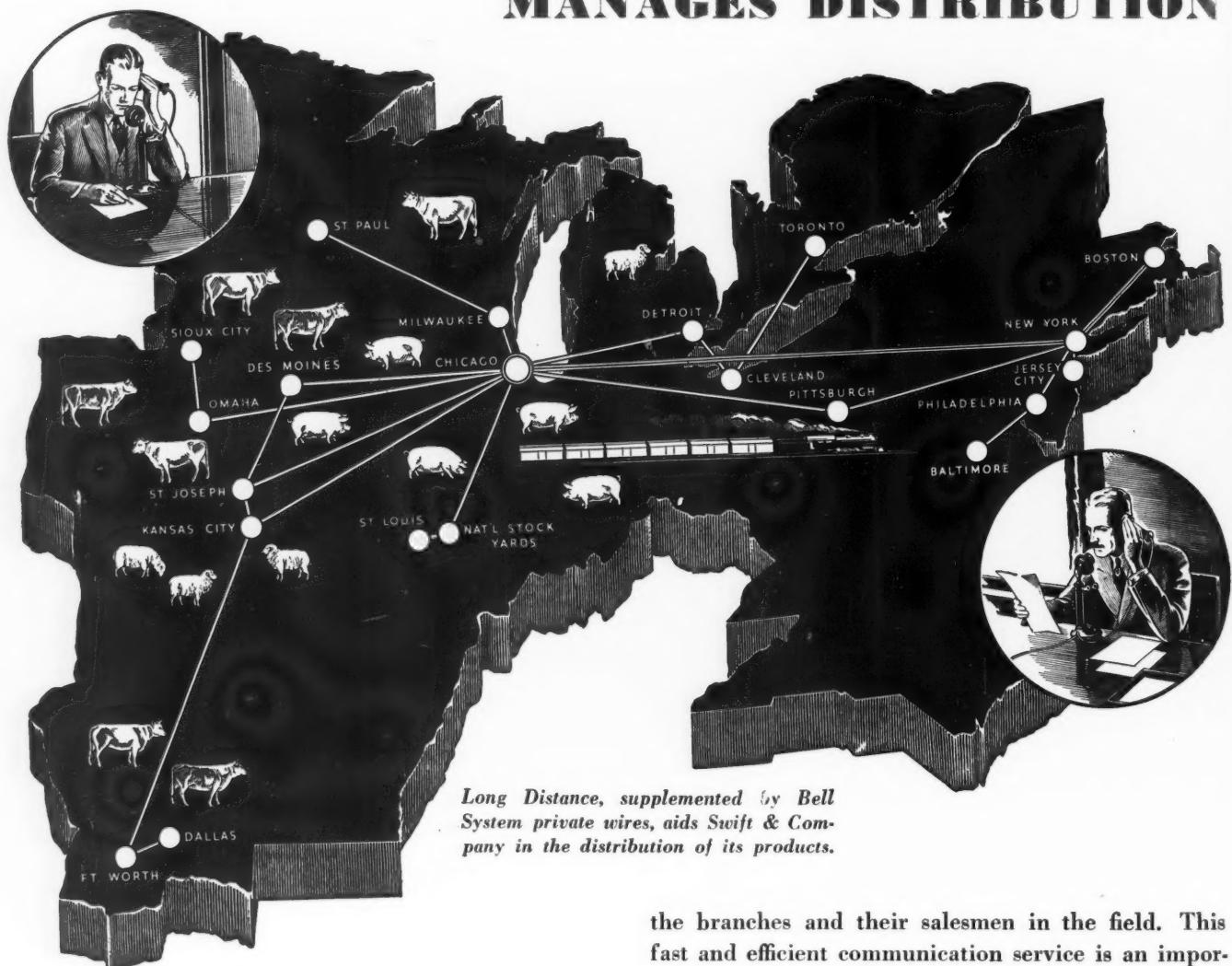
Near the Center
of population

THE CROSLEY RADIO CORPORATION

Powel Crosley, Jr., President

CINCINNATI

HOW A LARGE PACKER MANAGES DISTRIBUTION



FRESH meat is perishable, and must be sold promptly. Therefore, executives of the great meat-packing organizations must keep their fingers on the pulse of markets throughout the country, so as to meet the distribution problems peculiar to their business.

Swift & Company does this largely by means of Long Distance telephone service and private wires. District sales offices also are linked to the Chicago headquarters by a Bell System private telegraph network, over which is sent last minute information.

Operations in the Pittsburgh district are typical. In this district, there are 21 wholesale branch houses. Each day, as market prices are received in the district office over the private wire network, they are given by Long Distance telephone to the branches. Communication is maintained by telephone throughout the day, between the district office and the branches, between

the branches and their salesmen in the field. This fast and efficient communication service is an important part of a definite sales plan which enables Swift & Company to serve its customers quickly and economically.

Other businesses also find the Long Distance telephone of great value in solving their particular production and distribution problems. Best results are generally obtained by following a definite plan. The Bell System, to help its subscribers build business and cut costs, has developed the Telephone Plan of Market Coverage. Features of this plan can be custom-fitted to the special needs of your company.

LONG DISTANCE COSTS ARE LOW

Typical station-to-station day rates: Pittsburgh to Washington, \$1; Toledo to St. Louis, \$1.75; New Orleans to Indianapolis, \$2.75; Boston to Kansas City, \$4.50. Evening and night rates are still lower.

JUST CALL THE BELL TELEPHONE BUSINESS OFFICE



